

Drive Carefully

better to be late
than the late



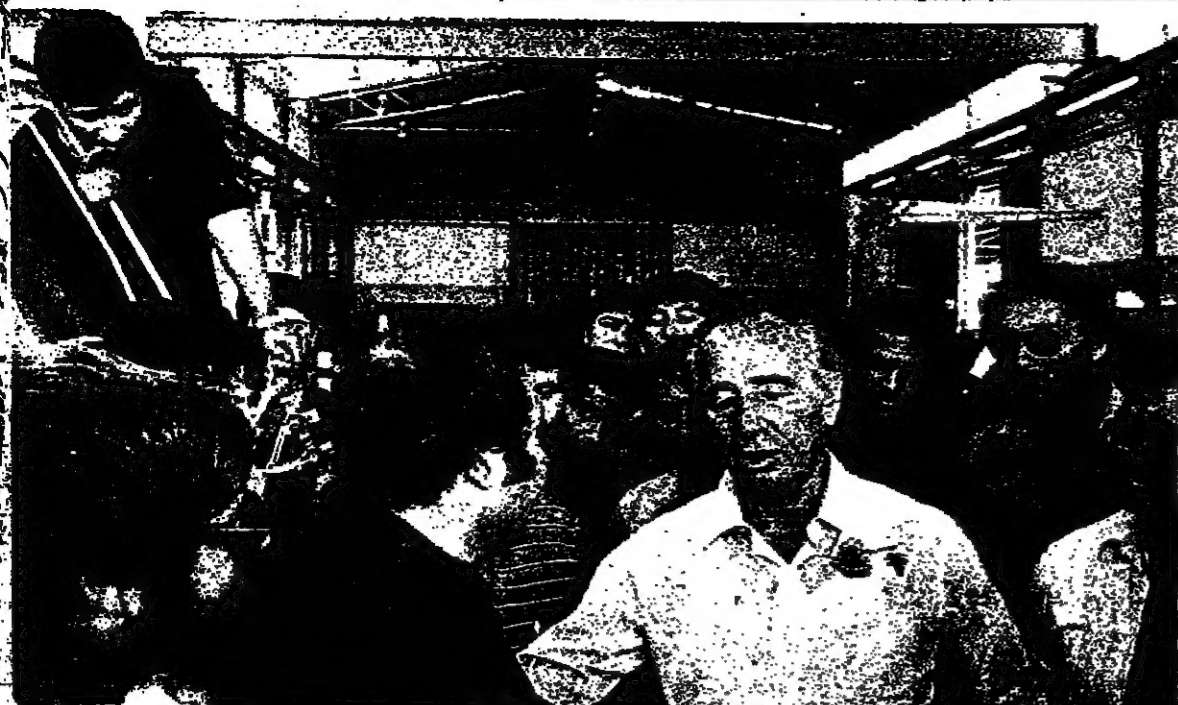
THE JERUSALEM POST

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TIME

October 29, 1984
* ISRAEL: A \$500 Million
misunderstanding?
* REAGAN: MONDALE: Who won?
* EL SALVADOR: Giving peace a chance.

Sole Distributor



Prime Minister Shimon Peres meets with workers of the Sdom metal works during his visit to Dimona yesterday. (David Rubinger)

Peres pledges aid to ailing development towns

BEERSHEBA (Itim). — Prime Minister Shimon Peres yesterday assured mayors of development towns that he would help them overcome their pressing economic difficulties. But he gave no pledges to the meeting of 23 mayors in Dimona that could be translated immediately into hard cash.

The mayors unfolded before the prime minister a list of problems that have been dogging them for some time; funds due them from the Interior Ministry have been held up for more than three months; the development towns are paying the banks IS2 billion in interest and other charges monthly on IS10b. in

(Continued on Page 2, Col. 4)

Rocket attack on IDF liaison unit

JERUSALEM POST REPORTER KIRYAT SHMONA — A 107-millimetre Katyusha rocket was fired yesterday morning at the Israel Defence Forces liaison unit in Nabatiya. The rocket struck the building but no one was hurt.

South Lebanon Army troops searched the area and found a rocket launcher with wires and a timer about five kilometres from Nabatiya.

In another incident yesterday, three rocket propelled grenades were fired at an SLA stronghold in the western sector of South Lebanon, about eight kilometres north of Jouyah. The building was slightly damaged.

Bundestag speaker Barzel rejects bribery charges

BONN (Reuters). — The speaker of the West German Bundestag (lower house), Rainer Barzel, yesterday said charges that he received money to step down as leader of his party in favour of chancellor Helmut Kohl, were "infamous."

He was testifying before an all-party parliamentary committee investigating allegations that the Flick industrial empire bribed politicians to secure influence and tax concessions.

Barzel has been accused of accepting 1.7 million marks (\$560,000) from Flick in 1973 to give up the

Damascus says won't discuss S. Lebanon — but Rabin still hopeful

JERUSALEM POST STAFF AND AGENCIES DAMASCUS. — Syria said yesterday it would not enter into direct or indirect negotiations with Israel over the withdrawal of Israeli troops from South Lebanon.

The state-controlled Damascus Radio was commenting on a statement by Defence Minister Yitzhak Rabin on Tuesday night in which he said he believed Syria was willing to negotiate indirectly with Israel to reach agreement in Lebanon.

Interviewed on Israel Television last night, Defence Minister Yitzhak Rabin said he was not disappointed by the Syrian response.

Rabin expressed the opinion that it will be possible for Israel to achieve an overall understanding

with Syria to prevent Syrian soldiers from venturing south to take over territories vacated by the Israel Defence Forces when such a withdrawal takes place and to guarantee that terrorists will not operate within areas under Syrian control.

He said that Israel must press on with its attempts to attain a security arrangement in Lebanon because, he said, any military solution to the problem will be worse.

In the event such an arrangement is worked out, the IDF can be counted on to withdraw within nine months. And although Israel will never again permit terrorists to return to South Lebanon, he himself, cannot promise Katyusha missiles

(Continued on Page 2, Col. 5)

Bar-Lev says negligence enabled double murder

By MICHAEL YUDELMAN

JERUSALEM POST REPORTER TEL AVIV. — Irresponsible conduct on the part of civilians facilitated the murder of Revital Seri and Ron Levy near the Cremisan monastery near Beit Jalla on Monday, Police Minister Haim Bar-Lev charged yesterday.

"A man who gets a gun from the army and leaves it unguarded in a room, only to get a letter of thanks from the PLO, and a guard company that hires an Arab from the territories as a watchman without checking on his background only to save a few

pennies are guilty of reckless behaviour," Bar-Lev said.

Bar-Lev was referring to the Jerusalem Technological Institute where Issa Nimr Jibrin, who has already admitted to the murder, worked as a guard despite his criminal record, and to his apparently easy theft of a Galil rifle left in the institute.

Jibrin, who lives in Dehaishe, near Bethlehem, led police to the murdered bodies on Monday night when they came to question him about the stolen rifle, which he himself had reported to them two days earlier. When they arrived in Dehaishe, the police had not yet known of the murder, and were in fact reluctant to believe Jibrin when he told them he had killed two Israelis.

Dehaishe residents yesterday said Jibrin had served a sentence for murder in Jordan.

(Continued on Page 2, Col. 2)

Fowl play in poultry price rise

Post Economic Reporter No one would admit yesterday to being the culprit in the Great Poultry Mystery of Tuesday night.

But at least two ministers were claiming credit for the about-face that followed the Treasury's announcement that the prices of frozen poultry and meat would go up 90 to 95 per cent — though none was taking responsibility for the original decision.

The Treasury announced the drastic price rise early Tuesday evening. Five hours later, Deputy Prime Minister David Levy announced that during the evening's meeting of economic ministers he had forced the Treasury to limit the price hike to 24 per cent — the increase announced Tuesday for all other subsidized foodstuffs.

But Industry and Trade Minister Ariel Sharon later implied that he was the minister who raised the issue at the meeting. He claimed to have decided to raise the issue when he was asked to sign the decree raising the prices by 90 per cent and more, which he refused to do.

Meanwhile, Finance Minister Yitzhak Moda'i did not have anything to do with the Treasury's original increase in the price of frozen meat, although he did know about the hike in poultry prices. The spokesman declined to say who did make the decision to increase meat prices.

Treasury officials were willing to avoid pointing the finger at Moda'i, even though they were the only ones left to take the blame for the price hike.

"The minister needs credibility, so if he claims ignorance about the decision to raise the price of frozen meat, we will not comment," the Treasury officials said.

Prime Minister Shimon Peres explained last night that Agriculture Minister Aryeh Nehamkin had ordered the poultry price rise after being requested to do so by poultry farmers. The rise in frozen meat

(Continued on Page 2, Col. 5)

Mubarak plans second summit with Hussein

CAIRO (AP). — President Hosni Mubarak said yesterday he would hold a second summit with Jordanian King Hussein shortly to discuss a new joint strategy for the Middle East peace.

"I believe that we will meet again within a short time and after this we shall launch a move toward the U.S. and other countries," Mubarak said in an interview with the London-based Saudi Arabian newspaper Ashraq al-Awsat.

Mubarak underlined the need for further consultation with Jordan to agree on "the style of approach" in advance of the coming U.S. presidency term.

He said any delay in formulating a joint strategy would be costly but did not give any indication about specific details of the strategy he had in mind.

As package deal talks begin

Bitter Histadrut attack on gov't economic plan

By ROY ISACOWITZ and AVI TEMKIN

Jerusalem Post Reporters Formal negotiations for an economic package deal opened last night with a bitter attack by Histadrut Secretary-General Yisrael Kessar on the government's economic-recovery plan. Had it not been for the "honour" of Prime Minister Shimon Peres and the importance of the issue, the Histadrut delegation would have declined to attend the session, Kessar said.

The talks at the Prime Minister's Office in Jerusalem between government, Histadrut and manufacturers' representatives went on until late last night and were due to resume this morning.

The Histadrut's implacable opposition to the government's plan appeared before the session by Finance Minister Yitzhak Moda'i and Manufacturers Association President Eli Hurvitz that the package deal could be concluded in a short time. The government would like the wage and price freeze, a central component of the package deal, to go into effect on November 1.

Speaking to reporters before the meeting, Kessar said the government's plan was "neither a package nor a deal." The government had reserved the right to do as it pleased and the manufacturers had gained what they wanted, Kessar said, adding: "Only the workers have to pay." He added that the price freeze as envisaged by the government was barely a freeze at all.

Hurvitz, on the other hand, told reporters that he thought the plan

was a good one. "I think it could be the basis for negotiations," he said. Hurvitz added that the manufacturers would bring up in the meeting the plan's failure to deal with exports and other issues.

Last night's session opened with a review of the government's programme by Moda'i. He explained that the plan envisaged a gradual reduction of inflation and not a one-time knockout blow. "We must return the inflationary genie to the bottle," Moda'i said.

Carrying on with that metaphor, Moda'i said that the bottle was a maximum monthly inflation rate of 12 per cent — bringing it below the level at which a monthly cost-of-living increment must be paid. According to the papers drawn up by former Bank of Israel governors Moshe Sanbar and Amnon Gafny, on which the government's recovery plan is based, an acceptable monthly inflation rate after six months would be 6 per cent.

Speaking after Moda'i, Kessar informed the participants that the Histadrut delegation had seriously considered not attending the session. The government's action in raising the prices of subsidized items the day before the talks was scheduled to begin showed it had "lost all sensitivity to the workers," he said.

I don't know who leads the government, economically speaking," Kessar declared, eliciting a response from Peres that he took full responsibility.

Kessar attacked the essence of the government's plan, saying that the intention to reduce the C-o-L increment by one third would mean that the workers would absorb 50 per cent of the price increases — because the increment is paid at a rate of 80

per cent only. In annual terms, that translates into the erosion of 24 per cent of the worker's real wage, he said.

Kessar also scored the government for talking in terms of 35,000 civil servants losing their jobs. "Have you prepared the economy so that industry can absorb them?" he asked.

He also criticized the plan's failure to improve the taxation of the self-employed. "Why don't the self-employed pay something?" he asked. "What is Sayon paying?"

In contrast to the government's plan, Kessar presented the proposals drawn up by the Histadrut Central Committee this week — also with the guidance of Gafny and Sanbar — which call for a 5 per cent reduction of gross salaries for one month, in return for tax rebates.

The government's plan, as presented by Moda'i last night, proposes a total freeze of prices and wages for six weeks, followed by another four months of controlled price rises. The workers will yield one-third of the C-o-L increment due them, while the manufacturers will absorb two-thirds of the price increases. The exchange rate will not be frozen.

Meanwhile, the government's plan and Tuesday's subsidy cuts have aroused widespread opposition. Trade union and labour council leaders from around the country will attend a national crisis conference next Monday to formulate a common strategy in opposing the government.

The conference was decided on during an emergency meeting of the Histadrut's Trade Union Department steering committee late Tuesday night.

Condemns general apathy

Tzur defends policy on Soviet aliya

By ARYEH RUBINSTEIN

Post Knesset Reporter Minister of Immigrant Absorption Ya'acov Tzur said yesterday that Israel can say "we have done all we could for Soviet Jewry" only when every last Jew who wants to come to Israel is permitted to do so.

Replying to four urgent motions for the agenda, Tzur said that the Knesset debate gives force to the conviction that Israel is the country of the entire Jewish people.

Seated in the VIP gallery were Jewish Agency Executive chairman Arye Duzin and some 30 Russian olim. Among them were Yosef Mendeleich of the Leningrad hijacking trial; Shmuel Schwartzband, former principal of the Jewish seminar in Riga; Michael Nudler, organizer of Jewish cultural activities in Moscow, and Immanuel Lichterov, who published an underground Jewish publication in Moscow.

Tzur said that in the effort to win

for Soviet Jewry the right to immigrate to Israel there was room for both quiet diplomacy and overt action.

"Our generation must so act in this matter that it will not be called to account by history for not having done all in its power," he said.

Tzur called "shameful" Israeli society's equanimity towards the plight of Russian Jewry. The Jewish activists were straining to hear the voice of the people of Israel. "If it is sounded, it will get through to them. And much more quickly than we think — the same day, sometimes within the hour."

On the other hand, Tzur said, we should not go to the other extreme in self-accusation. In the first place, not everything that is being done can be revealed. Secondly, it is not in our power to open the gates.

He urged the government to call on the Soviet Union to separate the struggle for the right of Jews to come

to Israel from political differences between the two countries.

Tzur read out the names of 15 Prisoners of Zion (including Yosef Begun and Anatoly Shcharansky) and six aliya activists awaiting trial. He then proposed that the Knesset "adopt" them.

He announced that the cabinet meeting devoted to the question of Soviet Jewry would be held "in another 10 days or so."

The Knesset accepted Tzur's motion that it "take note" of his statement that the government would consider the various proposals put forward in yesterday's debate. There were three opposing votes, cast by the Democratic Front for Peace and Equality.

Just before the vote, Charlie Biton (DPPE) demanded the floor, to move that the four motions be struck from the agenda. But Speaker Shlomo Hillel ruled that there was no

(Continued on Page 3)

Fatah leader seized near Hebron

By DAVID RICHARDSON

Jerusalem Post Reporter One of the most wanted Arab men in the West Bank has been captured by the security forces some 14 years since they first began their hunt for him.

The man, Ali Halil Riba'i, was arrested in Dura, south of Hebron, on September 4, but the news of his capture was suppressed until yesterday.

Riba'i, thought to be one of the senior Fatah leaders in the West Bank, evaded capture by hiding in the caves and wadis of the South Hebron Hills and the Judean Desert since the rest of his cell was destroyed by the security forces in the early 1970s.

Riba'i was a close associate of an already legendary local Fatah leader, Bajes Abu Atwan, who has become something of a folk hero in Palestinian literature. Abu Atwan

had been killed in a clash with the Israel Defence Forces.

News of Riba'i's arrest was broadcast by the Baghdad-based Voice of Palestine radio some 10 days ago, although the fact that he had been caught was already well known within days of the raid on Dura.

Several other people have been arrested in the Hebron and Jerusalem areas since then for allegedly helping him in his prolonged hiding in the desert caves and valleys from where he would periodically emerge to recruit, train and supply other Fatah members. Riba'i was armed when arrested.

Meanwhile, in the Ramallah military court, the local Israel Defence Forces prosecutor has brought charges against four other West Bank Arabs for their part in the attempted murder of a soldier and his brother last May.

The four are Murwafek Sa'id al-Khatib, 18, Ali Kan'aan, 19, Ali

Mohammed Askar, 18, and Rashad Askar, 21, all from Hizma village near Jerusalem. They are also charged variously with membership in an illegal organization (Fatah) and with having undergone training in the use of explosives.

The charges arise out of the attack on Itai and Gadi Weill, both of Kibbutz Yad Mordechai. The brothers were on a hike in a wadi near the village when they were allegedly attacked by the four accused.

Al-Khatib and Ali Askar are charged with attacking Itai, a soldier on leave, with a knife and stealing his rifle. The two other accused allegedly stoned Gadi and prevented him from coming to help his brother.

Itai eventually overcame his attackers and rushed at Khatib, who fired at him but missed. The brothers detained al-Khatib but the rest of the group fled and were caught within hours.

Bid to save 250,000 Ethiopian drought victims

ADDIS ABABA (Reuters). — Ethiopia said yesterday it would move a quarter of a million people from drought-hit areas to save them from starvation, and at the same time appealed for a massive international airlift of food.

Dawit Giorgis, head of the Relief and Rehabilitation Commission, told western aid agencies the government would start to move 250,000 people this week from drought-hit northern and southern regions to fertile areas in western Ethiopia.

Dawit also appealed for an international food airlift. "The time it may take to transport relief assistance by sea is now the greatest concern," he feared.

Unless an airlift was organized for the 6.4 million people afflicted by drought, "it may now be too late and a catastrophe of the highest magnitude is imminent," he warned.

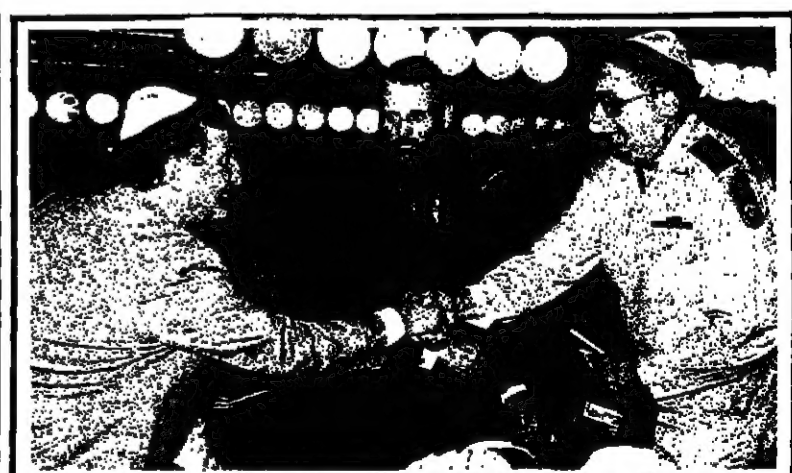
The resettlement of the drought victims would be voluntary, he told the meeting with the agencies. Dawit said Ethiopian leader Mengistu Haile Mariam left yesterday to view resettlement sites in the western Wollega, Illubabor and Gojam regions, which have been spared Ethiopia's worst drought since one in 1974 that killed 200,000 people.

"A massive resettlement and rehabilitation scheme involving 50,000 heads of families, or about 250,000

people, from northern Shoa, Wollo and Tigray provinces in the north and Wollaita in the south will be launched this week," he said.

Among those to be moved would be many of the two million people in Wollo and Tigray who have been living at relief centres since the drought struck four years ago.

It is the first time that the government has attempted to move whole families. The government had allocated resettlement sites at state farms and other areas where facilities existed to help the drought victims, he said. The three western regions are fed by rivers and are extremely fertile.



Boys Town Jerusalem alumni honor Nakash family on school's 36th anniversary

Over 500 guests and alumni, representing thousands of Boys Town Jerusalem graduates, gathered to pay tribute to their 'alma mater' on its 36th anniversary. Boys Town, founded in 1948 with a handful of Yemenite immigrant children, is now a major educational center with 8 schools, 1,250 students and a magnificent campus.

The spotlight was focused on the establishment of an International Guardians of Jerusalem headed by Mr. Joseph Nakash, Chairman of the Board of Jordache Enterprises, manufacturers of the world famous Jordache jeans. The Nakash family have contributed a physical training center at Boys Town Jerusalem in memory of their mother, Miriam.

Rabbi Alexander S. Linchner, Guest of Honor of the 36th Anniversary Dinner which took place at Gan Oranin Hall in Tel Aviv, said that the International Guardians comprise an honor society of individuals dedicated to the advancement of Boys Town's program of Torah and technological training for Sephardic and disadvantaged youth.

The Rishon Lezion, Rabbi Ovadia Yosef, Honorary President of BTJ, spoke movingly of the vital role played by graduates as men of Torah. Rabbi Yosef said Boys Town Jerusalem plays a major role in giving Sephardic youth a new and authentic self-image. Tat-Aluf Yitzhak Geva of the Israeli Air Force made a presentation to Mr. Nakash in recognition of the Nakash family's support of Boys Town. He praised the high level of Boys Town's training in electronics, computers and other sophisticated technologies.

(Communicated)

shhh...
CLASSIFIED INFORMATION

It's no secret... there are only a few hours left to place your classified advertisement for tomorrow's Hahavah Hehadash. Just take your ad to any advertising agency, or to an office of Ma'ariv or Ha'aretz (or call 03-439380) and it will run in Hebrew in those papers. Hand it in early enough to make sure it reaches the office of Hahavah Hehadash before 4 p.m. and your ad will also appear in English in The Jerusalem Post. Beat that deadline!

The weather at major Swissair destinations

	24.30.84	MIN.	MAX.	
AMSTERDAM	10	10	15	Cloudy
BRUSSELS	7	10	15	Cloudy
VIENNA	11	12	18	Cloudy
CHICAGO	2	10	15	Cloudy
COPENHAGEN	7	10	15	Cloudy
FRANKFURT	9	10	15	Cloudy
GENEVA	9	10	15	Cloudy
HELSINKI	9	10	15	Cloudy
HONG KONG	23	27	31	Cloudy
JOHANNESBURG	11	24	27	Cloudy
LEIPZIG	12	14	20	Cloudy
LONDON	12	14	20	Cloudy
MADRID	13	24	27	Cloudy
MONTREAL	3	10	15	Cloudy
NEW YORK	15	18	24	Cloudy
OSLO	4	10	15	Cloudy
PARIS	10	12	18	Cloudy
SAO PAULO	18	24	27	Cloudy
STOCKHOLM	3	10	15	Cloudy
TOKYO	13	24	27	Cloudy
TORONTO	6	10	15	Cloudy
VIENNA	7	10	15	Cloudy
ZURICH	9	10	15	Cloudy

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THE WEATHER

Forecast: Fair to partly cloudy

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	51	11-22	23
Golan	62	12-24	25
Nahariya	62	12-24	25
Safed	33	13-23	24
Haifa Port	38	19-24	25
Tiberias	41	13-26	27
Nazareth	41	13-26	27
Afula	62	10-27	28
Sharon	45	14-25	26
Tel Aviv	60	15-24	25
B-G Airport	58	14-25	26
Jericho	34	14-30	31
Gaza	35	17-25	26
Beer Sheva	46	12-26	27
Eilat	20	20-30	30

SOCIAL & PERSONAL

President Chaim Herzog yesterday attended the 30th anniversary celebrations of Ofakim in the South.

The Association of the Blind in Israel, accompanied by guide dogs, held a reception at the Milo Club in Tel Aviv yesterday honouring Geoffrey Lock, general manager of the Guiding Eyes for the Blind training school in Yorktown Heights, New York, which has provided seeing-eye dogs for Israelis.

Bengt von zur Muehlen will screen a film on Jerusalem, shot between 1900 and 1925, at today's ladies luncheon of the Rotary Club at the Tel Aviv Hilton at 1.15 p.m.

ARRIVALS

Dr. Alvin and Betty Stern of Miami Beach, Florida, friends and long-time supporters of the Diaspora Yeshiva, Jerusalem.

DEPARTURES

Lie Thum Mung, managing director of the Ministry of Communications of Burma, after a short visit in connection with the contract Telrad has signed with Burma for the supply of equipment.

Thatcher thanks Peres

British Prime Minister Margaret Thatcher has sent a message of thanks to Prime Minister Peres for his message of sympathy following the assassination attempt by IRA terrorists in Brighton, England earlier this month.

Said Thatcher: "I was grateful to have your kind message - particularly coming from the leader of a nation whose people have suffered greatly from such mindless acts of violence."

Damaged cable disrupts capital's phone calls

Jerusalem's telephone connections with the rest of the country were disrupted at noon yesterday when a contractor excavating at Kiryat Telz-Stone near Abu Ghosh damaged a telephone cable, the Bezak spokesman reported. The company has complained to the police about the damage.

20 Gazans 'imported' to work in Eilat Port

EILAT (Item). - Twenty Gazans were brought to Eilat yesterday to help unload 8,400 tons of rice brought from Bangkok aboard the Car Star. The Eilat Port Workers Committee agreed to using Gazan labour after the local Employment Service provided only three Eilatites for the job.

Four freighters are unloading in Eilat. The Car Star has been riding anchor in the bay waiting her turn to tie up at the dock.

SWIMMING - The bathing season ends today on the Tel Aviv-Jaffa beaches. Lifeguard stations will remain open only at the Gordon, the "mixed" Sheraton and Frishman beaches.

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HOME NEWS

Israel economic-aid talks set in U.S.

By WOLF BLITZER
Jerusalem Post Reporter
WASHINGTON - The newly formed U.S.-Israeli Joint Economic Committee is expected to open its meetings next week, hoping to reach some specific conclusions about improving the Israeli economy by January.

U.S. and Israeli officials involved in preparing for this first session here said the group will attempt to focus on long-term ways to improve Israeli productivity, reform some long-standing structural problems in the Israeli economy and increase exports.

They said the Israeli delegation will be led by Emmanuel Sharon, Director-General of the Finance Ministry. The U.S. team will be headed by Under-Secretary of State for Economic Affairs Allen Wallis.

The joint committee, formally established during Prime Minister Shimon Peres' recent summit with President Ronald Reagan at the White House, will also explore in considerable detail Israel's more immediate short-term problems, including any possible strain in meet-

ing Israel's current debt service commitments. U.S. and Israeli officials here yesterday again said there was no need right now for Israel to seek any deferment on the repayment of its approximately \$10 billion debt to the U.S. They noted, however, that such an option was still open to Israel down the road.

U.S. officials, including Secretary of State George Shultz, have not been anxious to see Israel exercise that option because it would merely increase Israel's overall debt burden to the U.S. Any postponed payment would require additional interest payments at the going commercial rates. So the Americans welcomed Peres' statement in the Knesset this week that Israel would continue to make its payments on time.

U.S. and Israeli officials conceded yesterday they were still very much uncertain about the actual impact of the joint committee. "It's all very much new," one U.S. source said. "We'll be experimenting for the time being."

But in effect, the U.S. and Israel have been involved in an extensive and ongoing economic dialogue in

recent years aimed at coordinating their strategy in easing Israel's problems. The joint committee, in large measure, has merely institutionalized what already had been occurring on a regular basis.

Israeli officials acknowledge that the Reagan administration - if it is re-elected - will place some economic conditions on increased U.S. economic and military grant assistance to Israel. But they doubt whether any political linkage will be made - at least in the near future.

Hovering over the start of these talks is the early-January deadline when the administration must complete its next budget, including foreign aid levels for Israel and around the world. The most recent bill included \$2.6b. in combined economic and military grants for Israel.

Israel is known to be seeking a minimal \$1b. increase in that level next year - and possibly even more.

The administration is clearly sympathetic to Israel's worsening economic plight, but wants to see some additional structural changes made in the economy before committing itself to any new increase.

Shamir stresses need for free-trade zone

Jerusalem Post Reporter
The establishment of a free-trade zone with the U.S. is particularly important as Israel now pays dollars for most imports but gets weaker European currencies for its exports, Vice Premier and Foreign Minister Yitzhak Shamir told a delegation of Los Angeles businessmen yesterday.

The businessmen, all but two of whom are visiting Israel for the first time and some of whom represent companies with business interests in Israel, met Shamir in his office in the Foreign Ministry in Jerusalem. The delegation's visit is part of efforts to

encourage American investments in Israel, the Foreign Ministry spokesman said.

Shamir told the businessmen that both investments in industry and setting up a free-trade zone would help Israel face its economic dilemma of fighting inflation while not creating unemployment, the spokesman said.

Shamir added that Spain's entry into the Common Market also made the Israel-U.S. free-trade zone important. Spain's joining the market is expected to hurt Israel's trade in Europe.

The businessmen told Shamir that there is support in California for the free-trade agreement and that buyers are already organizing to visit Israel to see what deals they can make here. Turning to foreign policy, Shamir told the visitors that Israel could not rely on Unifil to guard its northern border.

Israel wants to set up security arrangements with local forces in Lebanon, with the agreement of the Lebanese and Syrian governments, Shamir said. But he did not rule out a role for Unifil within any security arrangements in South Lebanon.

Ne'eman to address founding meeting New U.S. group to foster Judea-Samaria investment

By DAVID RICHARDSON
Jerusalem Post Reporter
Tehiya leader and former cabinet minister Yuval Ne'eman is to address the inaugural meeting in New York next week of a new organization that intends to foster private American-Jewish investment in Judea and Samaria.

Rabbi Avraham Weiss of Riverdale, New York, one of the founders of the new organization, called the Israel National Fund, said yesterday that he and his associates decided to announce its formation in the wake of the reports that a group of American Jewish and Arab businessmen wish to promote economic development among Palestinians in those areas.

Prime Minister Shimon Peres recently met two leaders of the latter

group, Howard Squadron, who is former president of the American Jewish Congress, and Pan Am director Najeeb Halaby, a Lebanese-American whose daughter is King Hussein's queen.

Weiss, who is a member of the executive board of Americans for a Safe Israel (AISI), would only name one other member of the new fund, Peter Goldman, executive director of AISI. Weiss stressed that there is no connection between the two organizations.

The Israel National Fund, Weiss said, had to act now because of the virtual freeze in government investment in Jewish projects in Judea and Samaria, and because he and his associates felt that the area was critical for Israel's survival.

Numeiri says Arabs should roll out red carpet for Jews

BEIRUT (Reuter). - Sudanese President Jaafar Numeiri was quoted yesterday as suggesting that Arabs should welcome Jews to work in their countries to help achieve Middle East peace.

Lebanon's *al-Sayyid* magazine quoted Numeiri as saying in an interview that he had no plans to recognize Israel or establish diplomatic ties with it. But he called on the Arabs "to be practical and move towards peace."

Numeiri, saying he expressed personal opinions and not those of his government, told the London-based daily: "We should not forget that the

Jews love money and business. "If we allow Jews to work in the Arab world, with their resources and Arab money, they would leave politics and war and return to Arab countries to live as previously," he said.

He said Jews once lived in some Arab states "without political movements and were sincere to their jobs and money."

History was full of changes resulting from military attacks or disasters that altered the face of the world and "we should recognize that after the battles we cannot return to pre-battle positions," Numeiri said.

Greece to extradite suspected terrorist

ATHENS (AP). - Greece's supreme court yesterday ordered the extradition of a convicted Palestinian arms smuggler suspected of involvement in a terrorist attack on a Rome synagogue two years ago that resulted in the killing of a two-year-old boy.

The five-member court said Abdel Osama al-Zomer, 24, would be extradited to Italy in accordance with a 1983 Italian request.

"This is not a fair decision," said the Marxist Palestinian as he was led, handcuffed, out of the court. His lawyer said he would appeal the

decision. Al-Zomer completed a 20-month prison term for smuggling arms and explosives into Greece. He was arrested on the northern Greek border with Turkey in 1982 when customs officials found 64 kilograms of explosives in his car.

The extradition decision may have resulted from the fact that Premier Andreas Papandreu's Socialist government, which has close ties with PLO chief Yasser Arafat, came under fire from the U.S. earlier this year for laxity in combating terrorism.

Jemayel back in Beirut after visiting Libya

BEIRUT (Reuter). - President Amin Jemayel returned to Beirut yesterday after brief visits to Libya, Italy and the Vatican, official sources said.

Jemayel left Beirut suddenly on Monday for talks with Libyan leader Muammar Gaddafi. He visited

Rome on Tuesday and had meetings with Pope John Paul, President Sandro Pertini and Prime Minister Bettino Craxi.

There has been no official comment on Jemayel's visit to Libya, his second since taking office more than two years ago.

BAR-LEV

(Continued from Page One)
"The police could not have prevented this murder, but the civilians concerned certainly could, if they had behaved more responsibly," Bar-Lev said, speaking to reporters after attending Levy's funeral.

Bar-Lev said he had ordered an investigation into the legal aspects of negligence in this case.

Calling on Israelis to be alert and responsible, Bar-Lev said that hikers should be armed if necessary, within or outside the Green Line, but "this does not mean that everyone going off the main road should be armed."

Asked about the death penalty for murderers, he said he did not believe such a penalty would be deterrent in instances like this one, and would turn terrorists into martyrs while damaging Israel's image. "Besides, we still don't know what the motives of this murder were. If they were just to kill Jews or if the murderer is mentally unbalanced, a death sentence would be no help at all," he said.

PRIZES. - The Aryeh and Leah Rafaldi Literary Prize, established in 1977 to honour outstanding Israeli writing in Russian on Zionism and in aliyah from the Soviet Union, will be awarded to Eli Luxemburg, the 1983 winner, and Prof. Alexander Vronel, this year's recipient.



Daley Thompson
Olympic superstar to present award

Post Sports Staff
TEL AVIV. - Daley Thompson, Olympic and world decathlon champion, will tonight present the Sportsman of the Year Award sponsored by the daily *Yedioth Aharonot*.

The widely acclaimed "king of athletics" arrived at Ben-Gurion Airport on Tuesday for a four-day visit, the climax of which will be his guest appearance at the award ceremony.

Thompson, who won his second gold medal at the Los Angeles Olympics, is also well known within sporting circles for his quick wit. He amused waiting newsmen when asked how long he intended to keep on running.

Said Thompson: "As long as possible. The moment I stop running, I suppose I'll have to start working and there's nothing I hate more."

PERES PLEDGES

(Continued from Page One)
bank loans; in the past decade the number of people living in development towns has decreased; there are no jobs for young men and women.

Most of the mayors spoke bitterly of investment funds being directed to Jewish projects in Judea and Samaria at the expense of their towns. They reminded Peres that entrepreneurs prefer opening factories in Judea and Samaria, where they get better terms from the government.

In reply, the prime minister promised to study the mayors' demand that an interministerial committee on development towns be set up.

He said that science-based industries should be established in development towns. "The minister of industry has put on my desk a document stating that about 38 large Israeli firms can open branches in development towns within a short period. It is my responsibility to raise the money needed for this purpose," Peres said.

He told his audience that Israeli society cannot slough off the responsibility to provide employment for all. "This is our most serious social problem," he stressed.

The coming months will be very difficult, Peres said. We must double exports and give priority to development towns.

Peres told the mayors that a year or two are needed to carry out his promises. "But I have no doubt that they will be carried out," he emphasized.



Liberian Justice Minister Jenkins Scott (left) signs a \$30 million agreement yesterday with the Heftziba company, owned by Yona Mordechai of Jerusalem (far right), under which the company is to have rights to cutting and exporting timber from a 6 million dunam-large region in Liberia. Other Liberian ministers attended the signing ceremony for the prestigious contract, which the Israeli company competed over with European and American companies. (Yitzhak Esharar, Scoop 80)

Navon calls universities' situation 'intolerable'

By D'VORA BEN SHAUL
and AARON SHATIL
Jerusalem Post Reporters

It was still not certain last night if the country's universities will open on schedule next week, despite statements by sources in the Finance Ministry that some headway was being made in securing budgetary guarantees. But last night, Finance Minister Yitzhak Moda'i promised the Council for Higher Education interim funds for the universities to at least enable them eventually to begin the school year.

Earlier yesterday, Education Minister Yitzhak Navon told the Knesset Education Committee that "the situation of our institutions of higher learning is intolerable. We must not mortgage or endanger the future of our country. I do not want to see even one student, either at university or in secondary school, drop out because of budget reductions."

Later, Navon told the Knesset plenum that the government would not permit the universities to collapse, because only they can insure the country's development. He noted that the proposed education fee to be levied on all families with at least one child in school is expected to add \$71 million to the Education Ministry's coffers and the cancellation of some 40,000 hours of instruction will save an additional \$27 million.

Replying to a motion by Shevah Weiss (Alignment) on the universities' financial plight, Navon said that unless education and research are expanded, the government will be unable to guarantee the country's security or economic rehabilitation.

The Knesset plenum heard a request by Matityahu Peled (Progressive List for Peace) that the committee investigate what he termed "the takeover of the educational system by the religious camp."

The Education Committee also heard Eliezer Shmueli, director-general of the educational ministry, who said that despite severe budgetary cuts, no elementary or secondary-school teachers will be dismissed.

Tomorrow, Prof. Haim Harari, chairman of the National Council for Higher Education, is to meet with Navon and with Treasury officials concerning allocations for the universities during the coming year.

'Porno photographer' gets 18 months' jail

TEL AVIV (Item). - Daniel Granot, known as the "Porno Photographer," was yesterday sentenced to 18 months in prison and given eighteen months suspended for forcibly committing indecent acts on and having sexual intercourse with a minor.

Granot, 59, of Givatayim, who had advertised for young women to model for erotic pictures he said he painted and promised them \$55,000 for it, was charged with sexually molesting the women who answered his ads. According to the prosecution he is not a painter.

Granot's counsel told the Tel Aviv District Court yesterday that his client, who had originally denied the charges, had plea-bargained with the prosecution, and admitted his guilt. Granot's lawyer also said his client regretted his acts, and should be treated leniently because he is a Holocaust survivor whose entire family was exterminated in World War II.

Granot's sentence included the activation of a previous suspended sentence for sexual offences.

FOWL PLAY

(Continued from Page One)
prices followed as a natural consequence, he said.

The delay in rescinding the decision, Peres said, was due to difficulty in reaching Nehamkin late Tuesday night.

But interviewed on Israel Television last night, Nehamkin denied that he had been the source of the order. Perhaps, he suggested, it was senior Agriculture Ministry and Treasury officials.

TV reported that Moda'i, Sharon, and Nehamkin had barred reporters from interviewing the civil servants concerned.

Thruva, in any case, was upset

DAMASCUS

(Continued from Page One)
will never again fall on the Galilee panhandle.

Responding to the original Rabin statement Damascus Radio said yesterday: "Syria will not enter into direct or indirect negotiations with Israel. The Syrian position is clear. It does not need repetition."

The radio described Rabin's statement as part of "a psychological warfare."

It said Syria insisted Israeli forces should withdraw unconditionally from South Lebanon, which they have occupied since June 1982.

The radio said Damascus also refused any role for the Israeli-backed South Lebanon Army in areas vacated by the Israeli troops.

"Lebanon is a Lebanese concern. Syria will not allow itself to speak on behalf of Lebanon or reach agreements in its name," the radio added.

Pedestrian, 72, killed while crossing road

HOD HASHARON (Item). - A 72-year-old woman from Hod Hasharon, Naomi Shemesh, was run over and killed while crossing the road at the Adanin junction yesterday afternoon. She was hit by a Fiat 127 driven by a Petah Tikva resident. The victim's body was taken to the Meir Hospital in Kfar Sava, where the cause of death was determined. The police are seeking witnesses to the accident.

Turkish grenade found

A grenade found yesterday in Jerusalem's old city turned out to be a Turkish grenade which had evidently been lying there for many years. It was found near the Dung Gate.

Haredi safecracker rescues trapped Arab worker

David Weissentstein, a Haredi (ultra-Orthodox) resident of Me'a She'arim, forsook the jewelry business for safecracking.

Yesterday, the Jerusalem police and fire department called on the nimblest fingers in Me'a She'arim to save the life of an Arab worker locked in a hermetically sealed safe in the Communications Ministry building in Korsh St.

The worker had not been engaged in thievery - his partner had lured him into the safe as a practical joke and had then slammed the door shut. Unfortunately, the safe door locked automatically, leaving the hapless labourer curled up inside and soon gasping for air.

Police and firemen rushed to the scene, but quickly learned that cracking the safe was beyond their best efforts. While time began to run out for the trapped man, the police, not for the first time, called on Weissentstein, who operates a shop in Mordechai Ben-Hillel Street, for immediate assistance. He directed police drillers to the thinnest spot along the safe wall, where they quickly provided the trapped man with a small but suitable airhole.

As Weissentstein continued to work the tumblers, in a desperate attempt to get the panicking fellow out, the policemen directed their efforts at widening the tiny breach in the steel.

The bolt finally thrown, the worker, close to hysterics, emerged from the door, laughing and crying hysterically. "But glances cast at his practical-joker friend proved he had not been amused by the caper. (Item)

Woman tried for calling cop names

HADERA (Item). - The trial of a woman charged with verbally abusing a uniformed police officer who had issued her husband a traffic ticket in July, 1983 opened this week in the local magistrates court.

Rahel Grauf, 35, is accused of calling the policeman an "idiot, dog, lowlife, frenke, ichach-achach" - the latter two terms referring to the officer's ethnic background in a derogatory fashion.

The prosecutor will present his evidence at the start of 1985.

RACISM. - A delegation of Israeli teachers, led by leaders of the Teachers Union, is to attend the Second International Conference on the War against Racism and Anti-Semitism.

The Government of Israel expresses its deep sorrow over the death of

RON LEVY
REVITAL SERI

and shares the grief of the bereaved families

02296-15/84

KEREN KAYEMET LEISRAEL - JEWISH NATIONAL FUND

Religious Organizations Department

shares the grief of

Rabbi Emanuel D. Rothenberg, Director, Religious Department, Jewish National Fund, New York on the untimely passing of his beloved wife

BLANCHE ROTHENBERG

The funeral will leave from the Sanhedria Funeral Parlor, Jerusalem, today, Thursday, October 25, 1984 at 10.30 a.m. Burial at Har Hamenuhot.

הקדוק יתום ארומם ברוך שוא אבלי צוק ודודלים

02296-15/84

Our dear

Dr. ERICH BOEHM

left us forever on his ninetieth birthday, October 24, 1984.

The funeral will take place today, Thursday, October 25, 1984, at the Old Har Hamenuhot Cemetery, Haifa at 3.00 p.m.

Dr. Annie Boehm Nahariya Franz Boehm - London and Families:
Gorri, Glownsky - Israel
Hunt, Boehm - London

Everybody is scared,' says chicken shopper

By MICHAEL EILAN
Jerusalem Post Reporter

The enormous refrigerator in the Hamashbir supermarket in central Jerusalem was empty of frozen chicken three minutes after the store opened at 8.30 yesterday morning.

"It isn't up 95 per cent," one woman gasped as she tried to elbow her way through the refrigerator. "They said this morning on the radio that chicken is going up by only 24 per cent."

Nobody seemed to pay any attention. The elderly people who had waited in line for the department store's doors to open rushed through the aisles grabbing anything they thought might be more expensive tomorrow.

Several men picked up enormous slabs of frozen

beef and tried to rush off to the cashier carrying the meat on their shoulders. They were stopped by irate supermarket employees, who tried to tell them that the meat had to be packed and tagged with a price code.

"A few months ago nobody bothered to go out shopping when they raised prices," a woman who was willing to identify herself only as "Rahel" said while she stood in line with 32 packets of margarine and four chickens. "But everybody is scared. Things can get really bad like in Germany."

A few elderly women said they had spent their entire allowance from the National Insurance Institute stocking up on basic foods. Several women arrived at the cashiers with full carts but were then told that the food they had bought cost

more than the 20 or 30 thousand shekels they had brought to the supermarket. The lines grew nervous as the people tried to take off enough items to meet their budget.

After the whole frozen chickens were gone, people started picking up any frozen goods they could find. One woman picked up six (entirely unsubsidized) frozen ducks but somebody told her there was no point in buying ducks so she discarded them on her way to the cashier.

But there were still plenty of chicken wings and legs left. One man who said he was shopping for his entire extended family sadly loaded his cart with chicken wings. "We all hate chicken wings," he said, "but I suppose that's what we're going to be eating for the next month or two."

Sharon appeals to Histadrut for joint effort to save ailing Ata

Post Knesset Reporter

Industry and Trade Minister Ariel Sharon told the Knesset yesterday he had asked Histadrut Secretary-General Yisrael Kessar to join forces in an effort to save the Ata textile works.

Replying to motions for the agenda, Sharon said that representatives of "one of Israel's large companies" are conducting an on-the-spot study of Ata's production processes in order to decide whether it was prepared to take it over.

Sharon said that the ministry, in the hope of a positive decision by that firm or another, has requested that the appointment of a receiver for Ata be postponed for a few days.

He also said that despite the difficulties, the ministry has seen to it that Ata has been getting a supply of

cotton, albeit a reduced amount. "There is a world of difference between a closed plant and one that is operating even on a reduced scale," he said.

Sharon stressed that Ata's continued operation, even by a new buyer, would require that allocation of special funds to cover the difference between expenditure and receipts for a period of three to six months.

David Rudge adds: Representatives of the Gabor textile firm toured the Ata plants yesterday — the first on-the-spot visit by a potential buyer.

But Gabor's owner, Gershon Rozov, stressed that his company's interest in Ata did not necessarily mean it would buy the textile concern.

He said such a purchase would depend on many factors, including the extent of government involvement in the Ata crisis. He said Gabor also wishes to see whether Ata has a viable future. This in turn would depend on the government's willingness to help all the textile firms in the country, particularly regarding exports.

Rozov told the Jerusalem Post it would take at least two weeks to investigate Ata's situation, by which time Industry and Trade Ministry's inquiry team should have put forward a recovery programme.

Representatives of the Gabor firm spent all morning at Ata's main factory at Kiryat Ata and later visited the firm's plant at Kordani.

Ata's chairman, Asher Levy, said Gabor had shown "genuine interest" as a potential buyer, although there

are several other potential purchasers.

Levy said there were optimistic signs now for the future, but Ata's short-term prospects were still very bleak.

He said the immediate problem was finding enough money to pay suppliers to keep the concern going until a buyer is found.

"What we are doing today is trying to keep Ata alive by artificial respiration, but that cannot last much longer," he said.

The Jerusalem Post learned that the Industry and Trade Ministry's inquiry team is likely to recommend that a receiver be appointed to run the company's affairs and that the government arrange for funds to enable Ata to continue production until a buyer is found. The report is due to be published later this week.

Ministries demand big rise in electricity and postal rates

Post Economic Reporter

Electricity and postal charges will jump between 54 and 120 per cent if respective proposals from the Energy and Communications ministries are approved today.

The Knesset Finance Committee is scheduled to vote on a bid by energy chiefs to get a 30 per cent increase in electricity prices. They want it retroactive to September 24.

The committee was due to vote on the new charges yesterday but a decision was deferred for a "thorough discussion" on fuel prices.

But the Electric Corporation and the Energy Ministry yesterday were

not prepared to wait for their proposal to be approved. They tabled an additional request for a 24 per cent rise in electricity prices — effective from yesterday.

And so the total increase in electricity prices could be as high as 61 per cent.

Meanwhile, the Communications Ministry has called on the finance committee to approve an 83 per cent increase in the price of sending letters and postcards and a 102 per cent rise in the cost of telegrams. Registered mail is to go up by 120 per cent.

European Jewish council meets here

Jerusalem Post Reporter

Jewish Agency Executive Chairman Arye Dulin has promised leaders of Jewish communities in Europe that they will receive help in promoting Jewish education, despite budget cuts in the Agency.

Dulin spoke before a board meeting of the European Council of Jewish Communities, which met in Jerusalem this week for the first time. The body, chaired by France's Chief Rabbi Rene Smuel Sirat,

included representatives from Western Europe and Yugoslavia. Jews from other Communist countries cancelled plans to come at the last minute.

The board was invited to Israel by the World Zionist Organization.

Dulin asked the European Jewish leaders to try to raise more money for Jewish education locally in addition to looking to the Jewish Agency and the World Zionist Organization for help.

C'ttee discusses women's night work

By AARON SITTNER
Jerusalem Post Reporter

The need for special permits for employing women at night may soon be abolished. The long-standing regulations cover all places of employment except hospitals, hotels, newspapers, the international telephone exchange, customs and police agencies.

A report submitted yesterday to the Knesset's Labour and Social Affairs Committee indicates that the number of women nightworkers who require permits in this country — ever considerable — dwindled the last year from 1,387 to 812. They are employed mainly as night computer-perations staff at banks and research institutions, and in the food and textile industries.

A Labour and Social Affairs

Ministry representative told the committee that the trend in recent years has been away from the third shift in manufacturing industries, and this was the reason for the decrease in women workers employed at night.

While committee chairwoman Ora Namir favours abolition of the regulations requiring special permits for nightworkers, another committee member — Shoshana Arbelli-Almoshino (Alignment) — thinks the regulations should remain in force for the women's own protection.

Shlomo Shimon (Shas) agrees with her. He believes that, if controls were eliminated, some employers would force their women employees to work at night, "and this would inevitably lead to the break-up of many families."

Correction
Professor Steven M. Cohen of Queens College in New York is not associated with the "Business Group for Middle East Peace and Development" as incorrectly reported in yesterday's Jerusalem Post. The organizer of this committee is Stephen Cohen of City University Graduate Centre.

NA'AMAT — A ceremony marking the end of the second academic year of the Women's Studies Programme at Haifa University, featuring addresses by university rector Prof. Uriel Rappaport, programme director Prof. Marly Saffer, Na'amat leaders Marsha Lubelsky and Phyllis Sukter, and Judge Hadassah Ben-Itto, was held on campus yesterday.

Rare films on Jewish life are donated to Yad Vashem

By ERNIE MEYER
Jerusalem Post Reporter

An important collection of films covering Jewish life in Europe and Ereẓ Yisrael from 1900 to 1945 — with special emphasis on the Nazi period — was handed over to Yad Vashem at a ceremony yesterday.

The donor was the West Berlin film producer Bengt von zur Muehlen, whose Chronos-Film company possesses one of the largest collections of historic film documents.

During a visit here eight years ago Von zur Muehlen met Binyamin Armon, who heads the information department at Yad Vashem, and promised he would eventually donate his films dealing with Jewish life to Yad Vashem.

Over many years he had collected about 50 hours of original film documents on this subject, some of them as yet unpublished or hardly known.

First female prisoner to be accepted by kibbutz

By MENAHEM HOROWITZ
Jerusalem Post Reporter

AYELET HASHAHAR — For the first time since the kibbutz movement began its rehabilitation programme, a female prisoner has been accepted as part of the scheme.

Herut Lapid, director of the programme and a member of Kibbutz Ayelet Hashahar, said Kibbutz Matzuva, in Western Galilee, will soon be accepting a 24-year-old woman who is completing a three-year prison term.

So far 30 prisoners have been rehabilitated on kibbutzim around the country. Three of them have applied to join the kibbutzim that took them in — Kibbutzim Amiad, Tel Katzir and Masada.

ELECTRICITY. — The executive committee of the international organization for the prevention of electrical accidents in industry is to meet tomorrow in Haifa. The organization's headquarters are in Cologne.

Haifa cracks down on unlicensed vendors

Jerusalem Post Reporter

HAIFA — The municipality is continuing its crackdown on vendors who operate stalls without business permits, the municipal spokesman reported yesterday.

Municipal inspectors dismantled 16 illegal stalls in Derech Ha'atzma'ut downtown, in a four-hour operation that began at midnight on Tuesday.

A similar operation was carried out in the Talpiot market in the Hadar HaCarmel quarter two weeks ago.

Adit local council employees end strike

Jerusalem Post Reporter

HAIFA — The 60 employees of Adit local council called off their strike and returned to normal work yesterday after the Interior Ministry promised to provide funds to pay their September salaries.

Council chairman Mordechai Amar said negotiations with the ministry over consolidating Adit's debts of IS60 million are continuing.

Harassment' of W. Bank universities rapped

By HYAM CORNEY
Jerusalem Post Correspondent

LONDON. — The pattern of Israel's treatment of the West Bank universities over the past five years has been "one of harassment going beyond what might be reasonably justified on the grounds of public order or security," according to a report published here yesterday.

The report, by the International Commission of Jurists, which is based in Geneva, and the World University Service (UK), contains findings of a mission of inquiry to "academic freedom under Israeli military occupation" that the organizations undertook last year.

The members of the mission were Alan Roberts, reader in international relations at St. Antony's college, Oxford; Boel Joergensen, president of the University Centre of Odense, Denmark; and Frank Newman, a justice of the California Supreme Court and professor of international law at the University of California, Berkeley.

The report states that although the two sponsoring organiza-

tions "hope that it may make a useful contribution to the important debate on academic freedom in the occupied territories."

The report notes that "there is an undeniable conflict of interest between the institutions and the Israeli authorities. The universities reflect the widespread desire of the Palestinians for some kind of statehood; the Israeli authorities oppose that aspiration."

It describes the "anti-PLO" pledge introduced two years ago as "a clumsy attempt to force workers from outside the territories, especially university teachers, to make an overtly political statement." It then says that there is "a clear and urgent need to reconsider the wide range of administrative measures and practices affecting the universities," in particular those restricting the import of foreign funds and planning refusals.

It says that there should be greater recognition of the role the universities can play in the economic, intellectual, cultural and political development of the area and calls for greater contact between Palestinian and Israeli universities.

It adds: "The international community, both in the UN and in other ways, must act to ensure that a basically defenceless people, faced with a foreign occupation and the presence of armed settlers, is not the victim of discriminatory treatment in higher education or other matters of such a kind as to lead to a status of educational disadvantage and permanent inferiority."

The report, which runs to almost 90 pages, includes a statement by the legal adviser to the Israel Foreign Ministry, as well as the views of other government officials. It pays "some credit" to Israel for the development of higher education in the West Bank, but recommends that Military Order 854 be rescinded, as "the extraordinary powers over academic life for which it provides naturally lead to a storm of protest" and it represents "a potential threat" to academic life which "creates distrust and prevents sensible co-existence."

In a report issued four years ago, the International Commission of Jurists charged Israel with illegitimately exercising the powers of a sovereign government in the West Bank.



Plaza chefs and general manager ready to whip up a storm with medals they won at the recent Frankfurt Culinary Olympics. Right to left: Eli Fadida, general manager Bernhard Kohn, Shalom Kadosh and Aharon Shasha.

All astew about chefs' Olympic medals

By HAIM SHAPIRO
Jerusalem Post Reporter

Israeli chefs, who returned from the International Culinary Olympics in Frankfurt this week, seem to have cooked up a story about their accomplishments. But now it appears that too many cooks spoiled the broth and it's not at all clear.

The stew began when the national team, headed by chef Avigdor Bruch of the Jerusalem Hilton, told an item reporter upon returning to this country that the team had won five gold medals, five silver cups and a silver platter. Follow-up stories in newspapers said the Israelis had come in fourth among 30 participating nations and a member of the team appeared on the radio with the "winning recipe."

But Jerusalem Plaza general manager Bernhard Kohn, whose team at the event was headed by Plaza chef Shalom Kadosh, was outraged. According to Kohn, the Israeli team's medals were participation

awards, given to all the national teams which took part. He said Plaza hotel chefs won two gold, one silver and three bronze medals for their efforts.

Kohn's version was backed up by Victor Azulai, chef of the Jerusalem Ramada Renaissance Hotel, who went as head of the Jerusalem city group.

According to Azulai, his own team was told upon arrival that they would have to compete as individuals, making their work far more difficult. Nonetheless, three of them — Azulai, Avshalom Yanai and Armon Nahmani — all won bronze medals in the competition.

When asked about the discrepancy by The Jerusalem Post, Bruch insisted that his team's awards were for more than just participation and were only given to teams that were marked up at least 80 per cent in the scoring competition. Eight national delegations failed to win any prize at all, Bruch said.

Meanwhile, both Azulai and Kadosh stressed that even if the Israeli team had won no special honours, this would have been no disgrace in a competition into which many countries poured huge sums. The Canadian team, which captured first place, came with half a million dollars worth of supplies. Moreover, Kadosh noted, virtually all the "Canadian" chefs were either Germans or Japanese.

Others brought priceless serving pieces, while the Israelis had to go begging for utensils, and the larger delegations had hotel kitchens at their disposal, while the Israelis were given a day and a half in a municipal kitchen.

As compensation, Kadosh said, the Israelis for the first time had access to the Israel Government Tourist Office in Frankfurt. Kadosh, who is secretary of the Israel Circle of Chefs, said he was grateful to the head of the office for his willingness to help the chefs in any way.

SOVIET ALIYA

share interest. But wasn't the struggle of the aliya activists another front, with the same objective, for the same nation? she asked.

The establishment of the State of Israel, Cohen said, gave the Russian activists the pride and the inner strength to launch their struggle, but the "hush-hush" policy of the Israeli government is not helping them. The activists are ready to take every risk in the hope that Israel will back them, but we discourage them, she charged.

She charged that the "hush-hush" policy of the Israeli government is not helping them. The activists are ready to take every risk in the hope that Israel will back them, but we discourage them, she charged.

Cohen was applauded by some of the Russian olim in the gallery, who were rebuked by the Speaker. This was Biton's cue to say: "When our supporters did the same they were hit on the head with batons."

And that was Meir Kahane's cue. "Shut up there, you traitor!" A Russian olim in the gallery got into the act. "Fig, pig!" he shouted at Biton. Hillel ordered him ejected.

Rabbi Menachem Hachohen (Alignment) asked whether Israeli youth had any idea of what was going on among Soviet Jewry, of "the meaning of Zionism at this time." This

was the great failure of the Israel government and of Israel society, he said.

"In London, masses are marching; in Amsterdam, thousands are demonstrating; in Washington, there are hunger strikes; in Paris, mass protest rallies; but in Israel — nothing. Our hearts are blocked up," Hachohen added. (Hillel commented that that last phrase was unwarranted, but Hachohen refused to withdraw it, on the grounds that it was an apt description.)

Hachohen, too, found fault with *lishka hakasher*, for its presumption that only it and no one else — not even the former aliya activists sitting with us today — know how the struggle should be conducted.

Mordechai Bar-On (Citizens Rights Movement) said that the Soviet Union's anticipated participation in peace efforts in the Middle East makes it essential to renew diplomatic relations with it.

But the Soviet Union must know that this interest will not affect Israel's right to demand that Soviet Jews have the right to live as Jews and to immigrate to Israel. (Geula Cohen asserted that we must not renew our diplomatic ties before the Soviet Union permits all Jews who wish to do so to come to Israel.)

The fourth motion was presented by Meir Cohen-Avidov (Likud-Herut), but there was little left for him to add.

SYNOPSIS OF FINANCIAL ACCOUNTS OF The Manufacturers Life Insurance Company of Canada (000's omitted)

1. SYNOPSIS OF CONSOLIDATED ACCOUNTS OF THE HEAD OFFICE ABROAD SYNOPSIS OF BALANCE SHEET AS AT DECEMBER 31, 1982 AND 1983

	1982	1983		1982	1983
Investments	\$7,479,070	\$8,653,512	Capital, Funds & Balances	\$ 832,003	\$ 940,017
Fixed Assets	50,270	83,014	Life Insurance Reserves	8,573,935	7,745,597
Other Assets	509,659	701,435	Reserve for Unrealized Risks in General Insurance	9,274	11,916
			Pending Claims	43,211	51,320
			Other Liabilities	580,576	689,111
	\$8,038,999	\$9,437,961		\$8,038,999	\$9,437,961

DETAILS OF INSURANCE BUSINESS AND OF PROFITS FOR THE YEARS 1982 AND 1983

	1982	1983
Life Insurance Premiums	\$1,225,421	\$1,521,929
General Insurance Premiums	4,807	10,472
Profits on Life Insurance	10,469	39,534
Profits (losses) on General Insurance	(4,494)	(7,202)
Income from Investments net of expenses not set off against business account	6,293	5,514
Business Profit (before allocation)	5,975	32,332

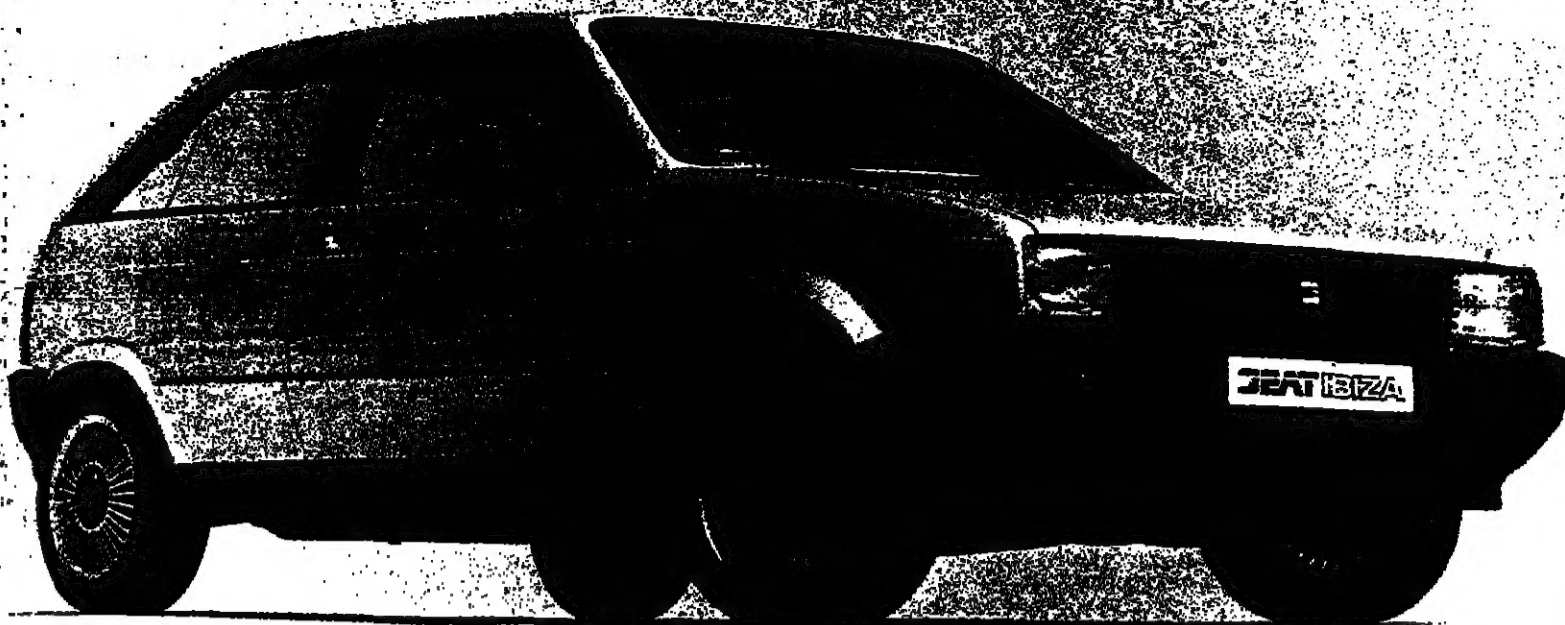
2. DETAILS OF BUSINESS IN ISRAEL INSURANCE BUSINESS AND PROFITS FOR THE YEARS 1982 AND 1983

	1982	1983
Premiums and Policy fees for Life Insurance	IS 24,445	IS 73,467
Premiums and Policy fees for General Insurance	0	0
Loss on Life Insurance	(-12,291)	(-18,677)
Profit (loss) on General Insurance	0	0
Income from Investments net of expenses not set off against Business Account	0	0
Business Loss	(-12,291)	(-18,677)
IS Liabilities in Israel	IS 65,083	IS 232,167
Recognized Investments in Israel	59,777	211,376
Deficit of Investments in Israel	(-5,306)	(-120,791)

NOTES:

- As required by the Israeli Department of Market of Capital, Insurance and Savings, foreign currencies in the above statements for 1982 and 1983 were translated into Israeli Shekels respectively at the following representative rates provided by the Bank of Israel as follows: As at December 31, 1983: Can. \$1.00 = IS 86,597.0; U.S. \$1.00 = IS 107.77; £ Sterling 1.00 = IS 156.1587; As at December 31, 1982: Can. \$1.00 = IS 27,298.6; U.S. \$1.00 = IS 33.65; £ Sterling 1.00 = IS 54.2859.
- Certain comparative figures reported in the above "Synopsis of Consolidated Accounts of the Head Offices Abroad" have been reclassified to conform to the manner of presentation adopted for 1983.
- DETAILED AND COMPLETE ACCOUNTS WITH EXPLANATIONS AND AUDITORS REPORTS ARE AVAILABLE AT THE COMPANY'S OFFICE AT: SINAI BLDG. TEL-AVIV. THE ABOVE ADVERTISEMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE INSURANCE BUSINESS (SUPERINTENDENCE) LAW 1981.

Motoring



Latin looks, German character

Yitzhak Oked visits Spain's Seat car factory, birthplace of the new Ibiza.

IN MAY 1980, the government-owned company that produced Fiat cars in Spain, was confronted with the shattering fact that its 30-year collaboration with Fiat had come to an end.

After four years of hard work, Seat managed this summer to pull the wraps off a brand new car that has been designed and planned without the help of Fiat.

The new Spanish car is called Ibiza (named after an island about 80 miles east of Spain, southwest of Majorca). Seat company officials claim that the Ibiza is Latin in looks and German in character because its Spanish engineers received much help in producing the car from the Germans. (A perfect Ashkenazi-Sephardi match!).

The Ibiza will be available here in the next few weeks, and will cost approximately \$10,000. (No exact price has been given.)

Rafael Alvarez, director of re-

search and development for Seat, explained during a recent press tour of one of his company's plants near Barcelona that the future of the company depends now on the success of Ibiza.

"We knew that we needed a winner - a car with a strong personality and clear customer advantages. What was most important was that the car had to be in the market by this past summer."

From extensive questions put before European motorists, Seat - which produced Ibiza under the code name "S1" - learned that drivers preferred the styling of Latin cars combined with the performance and durability of German vehicles.

Seat teamed up with Ital Design, an Italian firm specializing in car design. Its world famous automobile designer, Giorgio Giugiaro, gave the Ibiza its special look. Other team members were Karman - which worked on body-building and structure safety - and Porsche, which

contributed Ibiza's engine, gear system and interior finish.

The Ibiza, with its 1.2-litre, 63 horsepower Porsche engine, is in the small-car class. When we climbed some steep Spanish mountains, the Ibiza took the steep incline like a tiger.

The engineers at the Seat plant stressed the Ibiza's outstanding performance, its low fuel consumption, and its anti-pollution and anti-noise devices. They claim that the car will require minimum maintenance.

The Seat and Porsche technicians also promise that the Ibiza's engine will be the basis of a new range of models which will include sporty versions with fuel injection or turbo charger. The 1.2-litre engine can also be used in a super-economic three-cylinder unit. The Ibiza runs on regular petrol.

Test driving the car, we noticed that the Ibiza is particularly easy to handle. The front windshield of the

car is designed very well, giving the driver a good view of the road, but the driver does not seem to have much room to move his legs around. The front doors (the model we drove only had three doors though we heard that eventually there will also be a five-door model) are extremely wide, giving the driver and passenger easy access. The back seat seems to be a little tight on room. It can be folded back to enlarge the baggage compartment.

The president of Seat, Juan Antonio Diaz Alvarez, is confident that the Ibiza will be a great success and that Spain today is becoming a world power in the automobile industry.

"Spain produces today more cars than Great Britain," said Alvarez, "and is the third European exporter after Germany and France. Furthermore, Seat has a strong components industry and has exported over a million cars. We are currently exporting one of each two units produced."

Export

Exporting the bubbly

Yitzhak Oked

THE WINE trade is probably Israel's oldest export industry, dating back to ancient times.

More recently, at about the turn of the century, the products of the Rishon LeZion and Zichron Ya'acov wineries started to appear on the tables of European and American Jews.

These wines achieved popularity because they were kosher for Passah and came from Eretz Yisrael. Today the grandchildren and great-grandchildren of those who bought kosher wines no longer drink that sort of sweet wine; they prefer something drier. If they do buy a kosher bottle, it is usually from an American or European winery.

It is easy to understand why the Israeli wine industry seems to be in the doldrums.

Gideon Kottler, managing director of Stock in Israel, told *The Jerusalem Post* that several wineries in Europe have started to make kosher wines because of the high price that they fetch. On the other hand, because of government subsidies in Europe, Israel finds it hard to penetrate with some of its dry wines. "We must admit that we cannot compete in quality with the good wines of Western European countries."

This statement made for the first time by an Israeli wine manufacturer might be termed as a change in policy. Until now local producers claimed that they could compete with the best in Europe.

Kottler said that the Californian, German, French and northern Italian wines are better than the Israeli ones. "For this reason, we have to go over to the lighter, less expensive wines that can compete with those of Portugal, Spain, Eastern Europe and Greece."

The problem here is that these wines are heavily subsidized by their governments and they are able to buy the grapes at relatively low prices, \$120-\$160 per ton, compared with about \$250 here.

Because of this Kottler advises that the Israeli wine industry should return to the Jewish market abroad and try to win them over to Israeli wines and spirits. "This Jewish market is not looking for something fancy but it wants Israeli wine to be of a high quality."

He said that during the first eight months of this year, stock had already exported over \$500,000 worth to Western Europe and South Africa and they hoped to start exporting to other countries soon.

Uri Kellner, the new general man-



ager of Carmel Wine Cooperative, was chosen for his job because of his vast experience in marketing as the general manager of the Tambour paint company. He also served for some time as the representative of one of the co-owners of the Gadot group on its board of directors.

Kellner disagrees with Kottler. He believes that there is a chance to export high-quality Israeli wines. He has high hopes for the best red wine that Carmel produces, a Cabernet Sauvignon grand reserve which is left in oak casks for 18 months.

"From the feedback we have received in Europe, I believe we have a winner," he declared.

Carmel also has a brandy which is selling very well and at a good price. It is Brandy 100 (in honour of Rishon LeZion and the winery there which celebrated its centenary in 1982) which, on the average, is left to age in oak casks for about eight to nine years.

Another of Kellner's trump cards in increasing exports is a recent know-how royalty agreement signed with the Italian Bosca company that makes sparkling wines. According to the agreement, Carmel will manufacture for local consumption Bosca wines here and Bosca will market abroad Israeli-made Bosca sparkling kosher wine.

Kellner is confident that this

sparkling wine will be a hit both here and abroad, judging from the experience they had with Fantasia.

Just these two items would increase exports from \$4m. to \$5m., according to Kellner. And he is aiming even higher following recent agreements made with two large chain stores in Britain - Marks and Spencer and Tesco.

He also hopes to increase sales in the U.S. and Canada, traditionally good markets for Israeli wines. During the past year, Carmel exported to those countries \$3.25m. worth of wines and spirits.

Carmel recently sent two representatives to increase sales in Europe. One will be located in Germany to look after all the Common Market countries and the second in England to cover Great Britain and Scandinavia.

Kellner brought out a cold bottle of grape juice. As we enjoyed it, he said: "We had this here all the time but no one thought of selling it abroad. We recently started to export this and we cannot meet the demand."

As I left the winery, I could not but feel a little optimistic about the future of Israeli wine exports. But I was also sober enough to know that the industry still has a long way to go before it can really be felt in world wine circles.

WITH ALL the recent economic steps that have made a new car more expensive, the eyes of many potential new car buyers have turned to the used car market.

We asked Ephraim Mohar, past president of the Used Car Dealers Association of Israel, today an automobile assessor, for advice on buying a used car.

If you aren't in a rush, sit tight and wait, says Mohar. He promises that prices of used cars - and eventually of new cars, too - will fall. At present used cars are overpriced, and November and December should see considerable drops in prices, which will then find their new level or drop even further.

Mohar based his prediction on the fact that many Israeli households now have two or even three cars. Because of the recent government steps and those planned for the future, it will be very hard to keep one car, not to mention two or three.

According to his calculations, in the middle of October the monthly

The used car game

upkeep of a small car up to 1600cc per month was about \$325; from 1600cc to 2000cc about \$450 and cars larger than that over \$550 per month. "Because of this, the longer a person waits to buy a second-hand car, the cheaper it will be," he says.

He also advises owners of large cars to switch to smaller fuel-efficient cars. "I've been in this field a long time, and I don't remember the price of fuel ever jumping by over 100 per cent in a matter of weeks as it did recently. And according to statements made by Yitzhak Moda'i, the price of fuel will continue to rise."

Prices of new cars will also go down, Mohar predicts, because fewer people will be buying and dealers will simply lower their commissions in order to sell. He is confident, too, that the importers will manage to persuade the manufacturers to lower the price because of the present crisis in Israel.

If you are trying to buy a car through the classified ads, wait a day or two after the ad appears, advises Mohar. If the car has not yet been sold, the seller will be more amenable to lowering the price.

He also says that with today's

tough laws protecting the buyer, there is no risk in buying from a used car dealer, but here he emphasizes that the buyer should get everything concerning the history of the car in writing.

He warns against buying a car if the seller is not sure about its past history, and he advises having the car checked at a reputable Ministry of Transport-licensed garage that specializes in yearly check-ups. Also here the potential buyer should receive the full results of the test in writing.

Mohar publishes regularly a used-car price list which he refers to in his work as an assessor. In mid-October, for example, a sampling of prices of popular 1982 models included a small Daihatsu, \$8,700; Audi 80 (1,300cc), \$12,900; Autobianchi Junior, \$6,500; Subaru (1,300cc), \$10,000; Volkswagen Golf (1100cc, three doors), \$9,600; Fiat 127, \$7,250; Renault 5 (956cc), \$8,200 and Ford Fiesta (957cc), \$7,500.

Signs of the times

NEW YORK. - Some New York City street signs have become as blunt as New Yorkers themselves, with motorists seeking scarce city centre parking spaces being told, "Don't even think of parking here."

"No parking. No standing. No stopping. No kidding," reads another along city traffic lanes reserved for rush-hour buses.

One series of garish yellow signs carries a cartoon and caption warning motorists to keep intersections clear for fear of "gridlock" - a massive traffic tie-up in which all streets are blocked in every direction.

Pedestrians, too, are addressed in plain language: "Littering is dirty and selfish, so don't do it," says a common sign, displaying a direct personal tone.

"They might be, pardon the pun, signs of the times," says social psychologist Frederick Koenig. "When you get times of economic stress, people take on an authoritarian tone."

"I think these signs are ways of getting tough. People are less tolerant of deviance."

Koenig, who teaches a course on sign theory and use at Tulane Uni-

versity in New Orleans, said U.S. traffic signs vary significantly despite design standards set by the federal government.

"In California, signs reflect a more polite and caring attitude. There are some that ask motorists to 'Drive carefully, please.'"

"I think there's a general abruptness, an impatience, in those New York signs that's characteristic of New Yorkers."

New York City traffic department spokesman Victor Ross agrees that street signs reflect the community, regarded as the most aggressive in the United States. (Reuter)

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ACROSS: 1. Tetter, 4. Tricks, 7. Gar-
landed, 8. Cart, 10. Mera, 11. Lepid, 13.
Dither, 14. Reverse, 15. Humer, 17.
Harned, 19. Revel, 20. Nour, 22. South,
23. Kludgite, 24. Trader, 25. Regret.

DOWN: 1. Traced, 2. Teal, 3. Soller,
4. Tender, 5. Ilium, 6. Sphere, 7.
Cretaceous, 8. Belmarina, 11. Lohar,
12. Lorna, 13. Ernest, 18. Badica, 22.
Heador, 19. Debase, 21. Sled, 22. Step.

[illegible]

Mixed market on low volume

Volumes slipped sharply in both shares and bonds yesterday, while prices were slightly ahead overall, but mixed for all that.

In a dull day enlivened by the sparkling results of the First International Bank (see page 6), share volume plunged back to the 19650 million mark, or barely \$1.3m. Almost two-thirds of this was, as usual, in the "arrangement" bank sector, so that fewer shares only managed 15232m., or less than \$500,000.

Bonds were hardly better, since their volume only reached just over 151 billion, which is only some \$2m. at current exchange rates.

Most of the general indices were ahead by between one and two per cent, which is enough to keep them in line with daily inflation at its present pace. Only investment companies, with a strong rise of 4 per cent, and the small specialized financial institution sector, which gained almost 5 per cent, were sharply up.

Bank shares were up by less than 1.5 per cent, but bonds fared worse, with the general bond index actually declining by half of one per cent.

Individual issues sparked some interest. Incobas shares, both the IS.1 and IS.0.5, were tens of percentage points up on the day. This is, of course, a natural outcome of the tender offer for the Incoba shares, and in fact the shares have to rise further in order to reach the level of the tender offer, although there is no certainty that this will happen.

Other shares making significant moves included Hassneh, which lost 10 per cent for the second day running, and Clal Israel and IDB De-

Tel Aviv
Stock Exchange

By PINHAS LANDAU

velopment, which continued to rise steadily, as they have for several days. These two shares, as well as Discount Investments, account by themselves for most of the recent run-up in the index of investment company shares.

On the other side of the fence were Alaska and Teta, which fell sharply, though this is hardly surprising after their recent news announcements. Interestingly, Ata rose, buoyed presumably by talk of a possible rescuer for the troubled firm.

Announcements:

Northern Settlements Finance and Issues, an umbrella group of several moshavim seeking to raise capital, reported that their bond issue was fully taken up. The issue raised a total of \$2.8 billion, in a three-part bond containing sub-groups linked to the dollar, the German mark and the Japanese yen.

Elbit announced that the arbitration judgment between it and Paz Shikam concerning the supply of small electronic cash registers went against it.

As a result Elbit is obliged to pay almost \$1m. as well as expenses. However, this will have no impact on the company's current earnings, since Elbit regularly sets aside cover

MARKET STATISTICS

Indices

General Share Index	481.45	+1.45%
Non-bank Index	314.07	+1.81%
Arrangement	598.62	+1.38%
Bank Index	365.81	+1.44%
Industrial	387.57	-0.49%

Turnovers

Shares	15,650.6m.
Bonds	15,102.6m.
Totals	30,753.2m.
Advances	207
Declines	132
of which 5% +	39
of which 5% -	34
"Buyers only"	7
"Sellers only"	1

Bond market trends

4% fully-linked:	Rises of 0.5-3.5%
3% fully-linked:	Falls to 5.5%
80% linked:	Rises to 3%
Double-option:	Rises of 0.5-1%
Dollar-linked:	Slight rises

Most Active Shares

Hapoalim	12940	IS111.7m.	+240
Mizrahi	7920	IS 92.1m.	+260
Leumi	8110	IS 67.1m.	n.c.

Sharpest Moves

Incoba IS.0.5	152	+46.5%
Incoba IS.1	280	+71%
Spinnecop	31	+5.5%
Koppel op.	218	-21%

Baghdad Int'l Fair

BAGHDAD - More than 60 countries and 1,000 private companies will take part in the Baghdad International Fair opening on November 1.

The 15-day event will reflect the industrial, agricultural and social progress made in Iraq. Advanced electronic and scientific equipment will be on display.

Participants will include the Soviet Union, the U.S., Japan, China, East and West Germany and Britain.

First staged in 1959, the fair is regarded as one of the prominent trade showcases in the Middle East.

Bank of Israel exchange rates

October 24, 1984 IS

U.S. dollar	487.12
British sterling	592.58
German mark	160.63
French franc	52.372
Dutch guilder	142.35
Swiss franc	195.55
Swedish krona	56.478
Norwegian krone	55.289
Danish krone	44.435
Finnish mark	44.435
Canadian dollar	370.56
Australian dollar	412.35
South African rand	273.49
Belgian franc (10)	79.358
Austrian schilling (10)	77.009
Italian lire (1000)	258.91
Japanese yen (100)	199.27
Irish pound	496.98
Spanish peseta (100)	285.86
Jordanian dinar	1198.3
Lebanese lira	59.400
Egyptian pound	394.57

Israelis back from Tokyo advertising meet

TEL AVIV - A group of advertising agency representatives, advertisers and media experts, who are members of the Israel chapter of the International Advertising Association (IAA), has just returned after participating in the 29th IAA congress held in Tokyo.

With the active support of the Israeli delegates, Toby Pitcher of Great Britain was elected to be world president of IAA for the next two years. The president of the IAA chapter, Yosef Na'aman of the agency Karmon, Shifrin and Na'aman, was re-elected as a

member of the IAA board of directors.

The International Association, which has more than 3,000 members, convenes once every two years. In 1986 the congress will be held in Chicago, while the 1988 congress will take place in Sydney within the framework of Australia's bicentennial celebrations.

Israel and West Germany are competing to be the host in 1990. Two international conferences of IAA have already been held in Israel: in 1971 and in 1977.

Savings benefits from Hapoalim

The amount of the extra interest also rises in proportion to the size of the deposit, so that IS100,000-IS1 million will receive 1/2 per cent extra annually. IS1m.-IS5m. will get 3/4 per cent and from IS5m. up deposits will benefit by a full per cent each year.

Thus the maximum yield under the scheme, for a saver who holds his money in it for eight years, will be 6.1 per cent - certainly a very high return in real terms.

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TENDER NO. 5/1984

500 METRIC TONS SKIM MILK POWDER

Firm offers are invited for the import of SKIM MILK POWDER, in accordance with specifications obtainable from the Board.

1. 250 Metric Tons, Medium Heat, arriving at an Israeli Port up to 30.11.1984.

2. 250 Metric Tons, Low Heat, arriving at an Israeli Port up to 15.12.1984.

Firm offers to be submitted to our Office by 10 a.m. on November 1, 1984, valid until November 2, 1984.

The Board does not undertake to accept the lowest or any offer. The Board reserves the right to divide the quantity of the tender among several suppliers.

Zvi Gur-Arie
Managing Director.

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Fighting Fit

by Col. David Ben-Asher
translated by Miriam Schlesinger

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Commercial Banks

OHF	4910	30	n.c.
Martinez 0.1	2254	175	n.c.
Martinez 0.5	639	323	n.c.
General non-arr.	4050	43	-170 -4.0
N. American 1	2109	35	n.c.
N. American 5	1583	5	n.c.
N. American 10	2960	5	n.c.
Danot 1	no trading		
Danot 5	no trading		
Danot 10	no trading		
Gen. Int'l 0.5	no trading		
FBI 0.5	no trading		

Commercial Banks (part of "arrangement")

IDB	19300	269	+400 +2.1
IDB B r	19100	5	n.c.
IDB P A	134000	5	n.c.
Union 0.1	14324	145	+220 +1.6
Discount B r	29900	5	+1100 +4.4
Discount A r	24500	93	+300 +1.2
Discount B n	2990	93	+140 +4.8
Mizrahi b	7920	1162	+260 +3.8
Mizrahi b	7960	130	+200 +2.6
Mizrahi b	3680	41	+100 +2.8

Real Estate, Building

Giudi 1	935	63	n.c.
Giudi 5	677	72	n.c.
Giudi 10	199	179	-5 -2.5
Oren 5	70	205	n.c.
Azoria Prop.	324	180	-8 -2.4
Azoria op E	299	85	n.c.
Ellon	47	232	-4 -7.8
El-Rov 1	211	91	+2 +1.4
El-Rov 5	151	91	+2 +1.4
Maquett 5	530	124	+10 +1.9
Maquett 10	1899	184	-1 -0.1
Maquett 15	1200	65	-4 -8.8
Maquett 20	1888	25	-22 -11.8
Maquett 25	157	3	-3 -1.6
Maquett 30	2200	n.c.	
Maquett 35	940	9	+40 +4.4
Maquett 40	284	91	+10 +3.7
Maquett 45	104	137	-3 -1.6
Maquett 50	701	206	n.c.
Maquett 55	314	120	-1 -0.3

Metals and Metal Products

Octagon	199	n.c.	
Octagon op	4380	5	+201 +4.8
Octagon 0.5 r	2109	47	+30 +1.4
Octagon 0.5 r	1605	47	+104 +6.9
Octagon 0.5 r	1251	n.c.	
Octagon 0.5 r	620	16	-16 -2.5
Octagon 0.5 r	237	11	+21 +9.7
Octagon 0.5 r	539	222	-10 -1.8
Octagon 0.5 r	403	12	+7 +1.0
Octagon 0.5 r	135	100	+12 +10.2
Octagon 0.5 r	88	105	+9 +11.4
Octagon 0.5 r	277	87	+9 +3.4
Octagon 0.5 r	108	50	n.c.
Octagon 0.5 r	189	127	n.c.
Octagon 0.5 r	331	272	-11 -3.2
Octagon 0.5 r	181	100	+6 +3.4
Octagon 0.5 r	72	140	n.c.
Octagon 0.5 r	106	359	-8 -7.0

Financial Institutions

Shilon	150	309	-9 -5.7
Shilon op B	1727	n.c.	
Shilon op B	1500	n.c.	
Shilon op B	35700	n.c.	
Shilon op B	956	65	-5 -0.6
Shilon op B	980	n.c.	
Shilon op B	27015	n.c.	
Shilon op B	1690	n.c.	
Shilon op B	61000	n.c.	
Shilon op B	61300	n.c.	
Shilon op B	45228	n.c.	
Shilon op B	18661	n.c.	
Shilon op B	688	225	n.c.
Shilon op B	4373	n.c.	
Shilon op B	429	40	+3 +7
Shilon op B	295	200	+27 +10.1
Shilon op B	3250	43	+30 +9.9

Insurance

Aryeh	562	102	+45 +8.7
Aryeh op	301	15	+25 +9.1
Aryeh op deb	8517	1	n.c.
Aryeh 0.1 r	762	64	+15 +2.0
Aryeh 0.5 b	390	314	-8 -2.0
Reinsur 0.1 r	770	n.c.	
Reinsur 0.5 r	155	153	+3 +2.5
Reinsur 1 r	195	153	+3 +2.5
Hadar 5	169	350	n.c.
Hadar 10	1498	264	-167 -10.0
Phoenix 0.1 r	2000	7	n.c.
Phoenix 0.5 r	640	10	+32 +5.3
Hamishmar 1	2140	10	+6 +0.3
Hamishmar 5	1090	10	+7 +0.4
Hamishmar 10	2299	8	+79 +3.6
Yardenia 0.1 r	364	83	+3 +0.8
Yardenia 0.5 r	146	231	-16 -10.2
Yardenia op 2	1033	n.c.	
Yardenia op 5	4163	n.c.	
Yardenia op 10	8604	n.c.	
Sahar 1	470	152	+43 +10.1
Securitas r	745	166	+5 +0.7
Zur r	641	n.c.	
Zion Hold. 1	787	53	+72 +10.1
Zion Hold. 5	230	8	n.c.

Trade & Services

Inter-Gamma 1	540	50	-60 -10.0
Inter-Gamma 5	190	50	n.c.
Inter-Gamma 10	57	170	-3 -5.8
Meir Extra	730	106	+30 +4.3
Meir Extra op	480	40	+28 +6.2
Teta 1	148	22	-6 -3.9
Teta 5	120	132	-13 -9.7
Clal Trade	298	77	n.c.
Crystal 1	232	139	+21 +10.0
Rapac 0.1	5604	2	+268 +5.0
Rapac 0.5	1		

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The death penalty?

THE grisly murder of two Israeli university students near the Cremisan monastery has again raised the question of capital punishment for such dastardly crimes. The police believe all the evidence indicates that the killings were perpetrated for political motives. Whatever the context, it is certain that the two students, hiking in the area, were targeted by the murderer simply because they were Jews.

Until now, Israel's authorities have always concluded that the consequences of imposing the death penalty for terrorist murder would on balance be more harmful than useful. Such a penalty would elicit heavy political flak. It would also make martyrs of the murderers, and could lead to acts of revenge.

It is precisely to avoid escalation of killing that armies generally abide by conventions regarding prisoners. Terrorist groups do not observe such conventions. But they try to exploit the exchange value of prisoners. In normal circumstances that in itself becomes a constraint against the death penalty even in the case of convicted terrorist murderers.

However, in Israel's case even this residual rational constraint has been, grotesquely, turned into an incentive for terrorist acts. The terrorists, having no reason to fear a death penalty, having no reason to be deterred by the conditions of their imprisonment in Israeli jails if they are caught, and having good reason to believe that they may ultimately be freed early in an exchange, feel they can purchase "heroism" at an acceptable price.

This is especially true of those who would engage in the abduction and murder of innocent individuals, in contrast to those who at least risk confrontation with Israel's armed forces. Moreover, individual political murder of innocents, as distinct from organized para-military terrorism, is uniquely sadistic. Therefore, it probably appeals to those who are already more sadistically than politically inclined. To treat such depraved persons like prisoners of war means to encourage them and to relinquish the society's right to protection against them.

These are genuine issues. They cannot be disposed of by clichés whether of the political left or right. They require careful and precise consideration. And certainly if they are not aired, the field will be left open only to those, like Rafael Eitan and others known for their extreme views. For when a humane society, like Israel, is made to feel that it is vulnerable and that its humane values are being exploited against it, encouragement is given to those who would overturn those values.

That threat cannot be confronted by internal debate alone. It also requires action against its external causes. It is time, therefore, for Israel to rethink its assumptions about the death penalty.

Small blessings too

A BEVY of ministers joined Mayor Teddy Kollek this week in a ceremony to congratulate themselves upon the official completion of the new road scheme at the entrance to the capital.

The mayor told them that the new arrangements, in whose construction their ministries participated, were a big step forward in solving Jerusalem's traffic problems. And so they are. The bottleneck at Jerusalem's entrance has been eased.

And if building the new intersection took a few months longer than the one-year deadline, that is forgivable for such a major and complex construction project.

But what the participants at the ceremony conveniently overlooked were the many years preceding the last one in which one or another part of Jerusalem's entrance was being dug up, then filled in, only to be dug up again. That long comic opera in which each governmental or city department seemed to view this intersection as its own property without reference to the others and without coordinating their periodic ravaging of the street dated back to the early 1970s.

Since the brand new intersection has not been provided with zippers, presumably that past penchant for partisan trenching and tunnelling, without a master plan, has also been laid to rest. And that too is something to be grateful for.

POSTSCRIPTS

RECORD crowds marched to Miami's metropolis recently to stare at an attraction shipped in from Spain but which they could have seen on any city sidewalk any day of the week — urban man.

"This has been beyond a shadow of a doubt the most popular exhibit we've ever had at the zoo," said Rick Hensler, marketing director for Metrozoo. "We've had people standing there for hours and hours."

Hensler said urban man, also known as Albert Vidal, 38, or *homo sapiens urbanus*, biked the attendance during the three-day exhibit to more than 10,000, about three times what it was for the same period last year. Profits for the zoo were about \$20,000, he said.

For three days, Vidal ate, drank, slept, read newspapers, watched television and used the telephone next door to the Galapagos tortoise, to the delight of gawking audiences. Vidal, a mime who has taken his exhibit to zoos in Italy, Germany and Switzerland after first showing it in Barcelona, charged Metrozoo \$10,000 for roundtrip fares for himself and two assistants, expenses and a two-week stay in Miami. Hensler said, Metrozoo paid half and the Metro-Dade Cultural Affairs Committee picked up the other half.

"I think it's a modest fee," said zoo director Robert Yokel. "I'm always suspect of a society that thinks art is cheap, and I think of this as an art form. I don't think you can buy art any cheaper than that."

DID A MYSTERIOUS ape-like creature climb Mount Everest in early October of this year? That is the question the Nepalese Tourist Ministry is asking after unusual footprints were sighted in the summit of the world's highest peak.

The tracks were reported by two Australian climbers, Tim Macartney-Snape and Greg Mortimer, who reached the 8,848-metre-high summit on October 3 from the Chinese side.

They assumed the footprints, including a trail leading to the summit from Everest's southeast ridge, were made by a Dutch expedition climbing from the Nepalese side. But the Dutch did not put a climber on the summit until October 8, five days after the Australian sighting.

The Nepalese Tourist Ministry discounts the possibility that the prints were earlier expeditions. The last successful attempt to conquer the peak was by an Indian team on May 23. Snow would have obliterated those tracks officials say.

Some observers believe that the increasing number of climbing expeditions in the Himalayas may have driven the legendary splay-toed beast, known as the "Yeti" or abominable snowman, into more remote areas — such as the summit of Everest.

IN A BREAK-THROUGH in the study of genetic diseases, researchers in Bethesda, Maryland, and in San Diego, California, have cloned the gene that, when mutant, causes Gaucher's disease, which primarily affects Ashkenazi Jews.

According to New Jersey's *Jewish News*, those afflicted with the disease lack an enzyme called glucocerebrosidase. The scientists said they have isolated the genetic information for directing the body's manufacture of this enzyme.

Gaucher's afflicts one in every 2,500 Jews, and one in 25 are carriers. Abnormal cells in the bone marrow cause symptoms in childhood or adolescence, resulting in bone, orthopedic, spleen and liver problems. There are also blood abnormalities, including easy bruising and prolonged bleeding.

Dr. Edward Ginns of the research team said that the cloning of the gene opens the door to finding a cure. Cloning is a cheap, fast way to obtain a large amount of the enzyme.

J.S.I.

Postscripts welcomes items from readers, especially anecdotes concerning the lighter side of life in Israel. Contributions must be accompanied by the writer's name, address, and identity-card number, and sent to: Postscripts, The Jerusalem Post, P.O. Box 81, Romena, Jerusalem 91000.

A conspiracy against the future

By MEIR MERHAV

THE PREVIOUS article in this series discussed the study of Israel's inflationary process in 1974-83 by Prof. Nissan Liviatan and Sylvia Piterman, which finds that inflation has been pushed up successfully by government efforts to alleviate balance of payments difficulties that occurred for different reasons.

Their analysis leads them to recommend counter-cyclical policies aimed at the balance of payments, so as to "smooth out" the crises, bring the balance of payments back to "normal" and thereby restrain inflation from accelerating. These policies, which cannot reduce inflation, are to be implemented in stages and would lay the foundations for a complete disinflation scheme. Such a scheme would have to be drastic, abrupt, and would require a change in the present economic regime.

But since their study was written (in July 1984), events may have overtaken their approach. The coalescence of an acute balance of payments crisis with hyperinflation (the possibility of which they predicted) seems to have telescoped the "stage-setting" measures they proposed into the correction for the structural imbalances and deformations of the economy, which inflation hid from sight and, in turn, aggravated.

These deformations are the core of a study by Yossef Yoran of the Bank of Israel which, in an abbreviated version, has just been published in the October issue of the *Economic Quarterly* (in Hebrew). The article, entitled "Inflation and Structural Change," has a suggestive subtitle: "An Analysis of Schizophrenia in the Economic System."

THE ISRAELI economy in the last decade, Yoran says, has not been on a stable-equilibrium path and has no mechanisms for correcting deviations from equilibrium; on the contrary, economic policy has constantly pushed it further from equilibrium and has metamorphosed the economy on all levels. That policy, or "irregular arrangement," as Yoran calls it, made it possible to attain objectives that are inconceivable in a normal economy: a continued increase in real income and consumption while output stagnated. In 1972-

82 per capita real income rose by 24 per cent, private consumption per capita by 37 per cent, while real net output per capita fell by 8.9 per cent.

These irreconcilable developments were made possible by a "pathological" change in the economy's structure, in which the business sector (excluding financial services) was singled out for restraint in an economy that, as a whole, was not restrained. Investments contracted drastically, the per capita growth of the capital stock stopped, and the entire addition to employment was absorbed in the financial sector, and in occupations paid for out of the public purse.

The contraction of investment released the real resources for an increase in consumption while output was stagnating, while the absorption of the addition to the labour force outside the business sector prevented unemployment and made it possible for real wages to rise. The process was an interaction between a rise in real wages that originated in the public and financial sector, an increased return on financial assets (created by the government), and a revaluation of the currency in real terms.

THE TURNING point of the economy was the end of 1973, after the Yom Kippur War. Vastly increased defence expenditures and the oil crisis increased the balance of payments deficit and reduced the economy's real income. This made it impossible to maintain the previous rate of economic growth and the previous allocation of resources among different uses. Instead of reducing consumption and increasing exports, economic policy choked and reduced economic activity and brought the business sector to stagnation.

Economic policy was directed towards shielding individuals from the need to adjust to the new reality of reduced income and the jump in import prices. Maintaining "normalcy" for the public with respect to living standards and expectations was the watchword. A phrase coined earlier, in the War of Attrition, I might add, seems to fit — that "we fight the war so that the lights on

Dizengoff Street may continue to shine.

A gap opened up between actual and expected living standards, on the one hand, and the real resources available on the other hand. This gap, which Yoran calls an income inflation, and which economic policy never attempted to close by forcing the economy to accept sacrifice, generated its own dynamic. Not all the demand for higher income translated itself into inflation, which was held back by a trade-off between price increases and a structural generation of the economy. The capital stock stopped growing, and net investment approached zero.

Economic policy alternated between efforts to restrain inflation at the expense of worsening the balance of payments, and efforts to improve the latter by pushing up inflation. However, there was never a return to the former path: the process escalated and the gap of income inflation widened continuously.

In this arrangement, real incomes could only rise provided that they would not be translated into real effective demand; otherwise they would have evaporated in inflation. The divorce between income and demand was effected by a rapidly developing mechanism of absorbing financial resources from the public — away from the business sector which was crowded out. The mechanism eroded investment in productive assets. A huge financial balloon was created, which sucked up savings from the business sector and households, and spouted them back again in the form of subsidies, grants, transfer payments, credit subsidies and current income as well as capital profits from the financial assets, and providing the cash for raising wages.

THE PICTURE painted by Yossef Yoran is that of a tacit social compact, in which a semblance of "normalcy" was maintained in a life — as if the Yom Kippur War had never happened, as if the defence burden had not leapt to a level where it absorbed a quarter of our resources. The real resources for that fake normalcy came from choking off

Dry Bones



investment. It was a conspiracy against the future.

The mechanisms that were developed to make this system work had a tremendous price. They diverted vast resources just to "manage" the system, to living with it. The entire addition to the labour force was absorbed in the publicly-financed sectors and in a ballooning financial sector. Productivity ceased to rise and, in time, even fell. In the January 1984 issue of the *Economic Quarterly* Prof. Ephraim Kleiman estimated the waste from inflation-related activities at 4 per cent of the gross national product. That was a conservative estimate even then — it is probably much more now.

Among the data assembled by Yossef Yoran, a table showing from what sources industry financed its gross investment illuminates the role played by the government-created "financial balloon." In 1979, industry's external resources for investment were 79 per cent of gross investment, and nearly all of that came from government loans and grants. In 1980, external finance was 69 per cent; in 1981, 95 per cent, and in 1982 external finance was even 29 per cent bigger than gross investment, with 16 per cent of the finance coming from issues of bonds and shares to the public. It is not far-fetched to guess that industry's internal accumulation mostly fed the "financial balloon" itself, where returns were high and safe — only to be disbursed back to those who, by joining the club of "approved enterprises," became eligible for government largesse.

True, our exports have grown during this period of domestic stagnation — from \$1,562 million in 1973 to \$5,573 million in 1982. But it has been a long time since anybody calculated the real cost of these exports, in terms of domestic resources. And at the same time, the civilian trade gap (excluding direct defence imports) has also grown, from \$1,351 million in 1973 to \$2,754 million in 1983.

Yoran concludes by posing two alternatives for economic policy: the first, to bring about those basic structural changes that were called for by the initial shock of end-1973, which were evaded then and later, became more difficult as time went on and the economy became more "pathologically deformed." The changes will have to affect real income and wages, the exchange rate, the allocation of resources among different uses, the structure of employment, the structure of wealth, and nearly everything else.

The second alternative is to carry on as before, to attempt again to muddle through by temporarily curbing consumption, including defence expenditures, by further eating up our capital stock, by continuing to live with high inflation. It is, as recent developments have shown, a dead-end road.

A further injection of American aid may make it possible to stave off disaster for a little while longer. Chances are that if the signals of the present crisis are not read correctly, that aid, too, if and when it will be forthcoming, will be drawn into the vortex of uncontrollable inflationary paralysis of the entire apparatus of production may be the result.

THE CHANGES required here and now go far beyond economics. They impose an entirely new order of national priorities. The drastic restructuring of the economy that has become imperative dictates changes in the allocation of resources and in the instruments of allocation of major political decisions. The immediate decisions will have to be in the area of social and economic policy and creating the preconditions for the structural changes that must be brought about — and these depend on a major reorientation in foreign and defence policy. The next article will address itself to these issues.

The writer is the economic editor of The Jerusalem Post. This is the third of four articles on Israel's current economic crisis.

READERS' LETTERS

NEGATIVE STEREOTYPE

To the Editor of The Jerusalem Post
 Sir, — The recent article about daylight saving time certainly raised my temperature when I read the remarks of former chief rabbi Shlomo Goren referring to the savings which could be realized through energy conservation and daylight saving time. He mentions that although six or seven million dollars "is a considerable amount of money... almost all of that could be raised in a single fundraising dinner in the Diaspora..."

There are many of us in the Diaspora and Israel who are trying to bridge the gap between American and Israeli Jews, to educate one another, and to break down some of the stereotypes with which one group has viewed the other. I am certain that Rabbi Goren wants more than funds from his brothers and sisters outside of Israel, but his remarks confirm a latent prejudice which no doubt lingers in the minds of many.

Between 20 and 25 per cent of American Jews live below poverty level and many more are middle income families. Diaspora and Israeli Jewish communities have much more to share than big bucks donated by the upper echelon (much needed and much appreciated) and the beginning of this sharing process is the dissolution of the negative stereotype of the Diaspora Jewish community as being merely a source of funds. How much more *zedaka* could be transferred to Israel, and how much more *aliya* could there be if this and other intercommunal quarrels could cease among Jews!

JONATHAN BLATCH
 St. Louis, Missouri.

HAIFA ORCHESTRA TOUR

To the Editor of The Jerusalem Post
 Sir, — I read with great pleasure about the Haifa Symphony Orchestra's foreign tour in which you mention that it is the first such one.

I am certainly proud of the Haifa Symphony Orchestra's development as I was Music Director for seven years and I hope this tour was a success.

However, I would like to point out that the first foreign tour was done under my direction in the sixties, in Cyprus which is certainly not too far from Israel, but still a foreign country.

SERGIU COMISSONA,
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FAITHFUL READERS

To the Editor of The Jerusalem Post
 Sir, — In 1973/74, I was on my first visit to Israel as a student at the Afro-Asian Institute in Tel Aviv from Papua, New Guinea. When the war broke out, the daily *Jerusalem Post* at my door was a great help in keeping me informed and helping me to understand what was happening. I read it out to all the African delegates, whose countries had broken relations with Israel, and this helped them decide to stay on.

I made many friends during my stay in Israel, including Shlomo Markovitz from Haifa. In order to remind me, in the lonely desert of North West Queensland, that I do belong to the family of Israel, Markovitz, now in his seventies, subscribes for me year after year to your International Edition as a Rosh Hashana present.

I am the only Jew within 2,000 kms., bitterly lonely and isolated. Yet I am not the only one who waits every week for *The Jerusalem Post* to reach me. When I finish it, I pass it on to my Lebanese friend, Charlie, who was born in Haifa, Palestine. As a Christian Arab, he sees in *The Post* his only source of information from Beirut. Then comes my Abyssinian CP friend, whose mother goes on pilgrimage to Jerusalem every year: he feels himself very far from home and closely tied to Jerusalem, his spiritual home. After him comes

KITTY FISCHER
 Mt. Isa, Australia.

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